

Company Registration No. 05743784 (England and Wales)

**FLETCHERS SOLICITORS
LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018



PM+M Solutions for Business LLP
Chartered Accountants
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

FLETCHERS SOLICITORS LIMITED

COMPANY INFORMATION

Directors	E Fletcher	
	R Fletcher	
	S Threlfall	
	G Carrington	
	R Savage	
	P Duncanson	
	A Hatchman	
	A Denson	(Appointed 12 July 2017)
	V Shah	(Appointed 26 July 2018)
Secretary	G Carrington	
Company number	05743784	
Registered office	Dukes House 34 Houghton Street Southport PR9 0PU	
Auditor	PM+M Solutions for Business LLP Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB	

FLETCHERS SOLICITORS LIMITED

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FLETCHERS SOLICITORS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present the strategic report for the year ended 30 April 2018.

Fair review of the business

The year to 30 April 2018 has been the first year of realising the financial benefits of the investment in the previous four years. The firm continues to be focused on being number one in the industry in our three core areas of Serious Injury, Motorbike Accident Claims and Medical Negligence. For the latter, the successful opening of the Manchester office, now some 60 medical negligence lawyers strong, has significantly added to our capability in becoming number one in this sector. Our Medical Negligence trading style of 'Patient Claim Line' has continued to perform strongly. We continue with the Medical Law Network ('MLN'), a collective marketing approach developed by Fletchers Solicitors in conjunction with other like - minded medical negligence firms, albeit in a much reduced form. We have taken the opportunity to increase, by some 30%, the legal conduct of files by Fletchers Solicitors, which were previously conducted by MLN member firms. This will require additional investment of some £4million over a two to three year timescale.

We continue to invest in our people - now some 390 strong - in their recruitment, development and training to conduct and support the work arising from our marketing approach. Investment in and development of our people will continue to be a vital part of our future plans.

The business has performed very well with turnover increasing by £8million to £26.5million (2017: £18.5million) with operating profit before amortisation increasing from £0.6million (2017) to £5.7million as a consequence of the increasing maturity of our Medical Negligence business. There has been continued investment in the business reflected in the balance sheet with increased cash tied up in debtors and amounts recoverable on contracts of £3.9 million, from £23.2million (2017) to £26.7million. However, this investment has been largely funded by net cash inflow from operating activities of £2.4million and an increase in other borrowings of £1.9million. Bank balances have increased substantially from £157,000 in 2017 to £2.3million in 2018.

The increases in turnover and profitability with less requirement for investment was anticipated in the 2017 Strategic Report.

FLETCHERS SOLICITORS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

Principal risks and uncertainties

Regulatory uncertainty

We are actively involved in the consultative groups considering a Fixed Recoverable Costs Regime for Medical Negligence work. Continued delay in the post-Brexit environment regarding the implementation of this strategy creates uncertainty. For some law firms, the potential for reduced profitability will mean it is not commercially viable for them to represent clients in the future. Fletchers Solicitors have developed their marketing approach, their systems and processes to minimise the impact of such changes on the business. Moving to a fixed cost regime appears inevitable and we are well positioned to manage the transition to such a regime to allow us to continue to strive to be the number one choice for clients in the medical negligence arena.

The Ministry of Justice launched a Consultation Document in February 2017 in which it is proposed that there would be regulatory change to introduce a tariff system to replace the right to general damages for minor soft tissue injuries ("whiplash") and an increase in the small claims limit for road traffic personal injury claims to £5,000, where no costs can be recovered by claimant law firms from defendants. This could affect profitability of Road Traffic Accident ('RTA') claims substantially. Clearly this could impact Fletchers' Motorbike Accident claims department, which acts for vulnerable road users ('VRU's) although its potential impact is less severe for motorbike claims compared to four wheeled vehicles. We are actively representing VRU's with various lobbying groups and consultative bodies to minimise the potential to reduce access to justice for VRU's such as motorbike and cycle riders. Again, continued delay regarding the implementation of the draft proposals creates uncertainty. Fletchers Solicitors have re-engineered their systems and processes and are confident that they can operate a sustainable and profitable RTA business in the future.

Cyber Security and data protection

In common with many organisations, this is a major area of focus of our Risk and Audit Committee and appropriate steps have been taken to protect our business systems and processes and the privacy of our clients' data.

Financial risk management

The business continues to need large investment in working capital and is investing further in the medical negligence sector. Management of cash flow is paramount and Fletchers Solicitors have appropriate controls over the transaction cycle. It has funding facilities in place with banks (having renewed and increased its bank facilities in May 2017) and other providers of finance. In addition to its mature legal businesses, which remain cash generative, the medical negligence business is increasingly cash positive reflected in the net cash inflow in operating activity of £2.4 million.

Development and performance

The directors are reassured by the company's market position in a period of competitive and regulatory change. Turnover and operating profit before amortisation have increased by 43% and almost 800% respectively over that achieved for 2017. Whilst there is further investment in the medical negligence business, it is less in relative terms compared to previous years. The year to April 2019 will again see increases in turnover and profitability. The firm's goal was to enter The Lawyer Top 100 Law Firms in the UK by 30 April 2018 and we are currently ranked 99th.

FLETCHERS SOLICITORS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

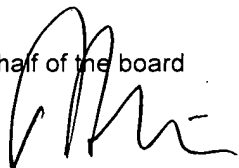
Key performance indicators

The company's directors are of the opinion that the management of the business is governed by the following KPIs:

	<u>2018</u>	<u>2017</u>
• Cash generated/(absorbed) in operating activities	£2.4m	(£4.1m)
• Profitability before tax percentage	19.5%	1.8%
• Productive hours per person	1,451	1,440

The above KPIs reflect the increasing maturity of the business in the year to 30 April 2018.

On behalf of the board



.....
R Fletcher

Director

25th October 18

FLETCHERS SOLICITORS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present their annual report and financial statements for the year ended 30 April 2018.

Principal activities

The principal activity of the company continued to be that of providing legal services.

Directors

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

E Fletcher

R Fletcher

S Threlfall

G Carrington

R Savage

P Duncanson

A Hatchman

A Denson

(Appointed 12 July 2017)

V Shah

(Appointed 26 July 2018)

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,940,001 (2017: Nil). The directors do not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Political donations

During the year the company donated £Nil (2017: £5,000) to the Liberal Democrats, a political party in the United Kingdom.

Auditor

PM+M Solutions for Business LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

FLETCHERS SOLICITORS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

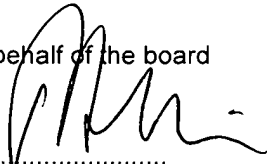
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

On behalf of the board



.....
R Fletcher

Director

Date: 25th October 18

FLETCHERS SOLICITORS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FLETCHERS SOLICITORS LIMITED

Opinion

We have audited the financial statements of Fletchers Solicitors Limited (the 'company') for the year ended 30 April 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

FLETCHERS SOLICITORS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FLETCHERS SOLICITORS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

PM+M Solutions for Business LLP

Helen Clayton BSc FCA (Senior Statutory Auditor)
for and on behalf of PM+M Solutions for Business LLP

1 November 2018

Chartered Accountants
Statutory Auditor

Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

FLETCHERS SOLICITORS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	2017 £
Turnover	3	26,456,006	18,456,378
Administrative expenses		(21,251,687)	(18,215,709)
Other operating income		148,387	103,432
Operating profit	4	5,352,706	344,101
Interest receivable and similar income	8	11,824	83,588
Interest payable and similar expenses	9	(198,884)	(102,197)
Profit before taxation		5,165,646	325,492
Tax on profit	10	(1,027,531)	(146,337)
Profit for the financial year		4,138,115	179,155

The Statement Of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

FLETCHERS SOLICITORS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	12		-	288,334	
Other intangible assets	12		5,441	6,007	
Total intangible assets			5,441	294,341	
Tangible assets	13		894,746	1,178,530	
Investments	14		53	53	
			900,240	1,472,924	
Current assets					
Debtors falling due after more than one year	18	7,451,474	7,636,999		
Debtors falling due within one year	18	19,259,182	15,549,348		
Cash at bank and in hand		2,307,208	157,432		
		29,017,864	23,343,779		
Creditors: amounts falling due within one year	19	(11,337,685)	(12,490,569)		
Net current assets			17,680,179	10,853,210	
Total assets less current liabilities			18,580,419	12,326,134	
Creditors: amounts falling due after more than one year	20		(11,906,198)	(7,730,375)	
Provisions for liabilities	23		(8,968)	(128,620)	
Net assets			6,665,253	4,467,139	
Capital and reserves					
Called up share capital	26		1,000	1,000	
Profit and loss reserves			6,664,253	4,466,139	
Total equity			6,665,253	4,467,139	

The financial statements were approved by the board of directors and authorised for issue on 28th October 18 and are signed on its behalf by:

R Fletcher
Director

Company Registration No. 05743784

FLETCHERS SOLICITORS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2016		1,000	4,286,984	4,287,984
Year ended 30 April 2017:				
Profit and total comprehensive income for the year		-	179,155	179,155
Balance at 30 April 2017		1,000	4,466,139	4,467,139
Year ended 30 April 2018:				
Profit and total comprehensive income for the year		-	4,138,115	4,138,115
Dividends	11	-	(1,940,001)	(1,940,001)
Balance at 30 April 2018		<u>1,000</u>	<u>6,664,253</u>	<u>6,665,253</u>

FLETCHERS SOLICITORS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	31	3,113,489		(3,689,456)	
Interest paid		(198,884)		(102,197)	
Income taxes paid		(553,708)		(367,599)	
Net cash inflow/(outflow) from operating activities		2,360,897		(4,159,252)	
Investing activities					
Purchase of tangible fixed assets		(110,904)		(390,311)	
Proceeds on disposal of tangible fixed assets		9,939		1,167	
Proceeds on disposal of joint ventures		-		(50)	
Interest received		11,824		83,588	
Net cash used in investing activities		(89,141)		(305,606)	
Financing activities					
Proceeds from borrowings		-		2,620,630	
Repayment of borrowings		(142,949)		-	
Proceeds of new bank loans		5,500,000		500,000	
Repayment of bank loans		(3,500,000)		-	
Payment of finance leases obligations		(39,030)		(206,260)	
Dividends paid		(1,940,001)		-	
Net cash (used in)/generated from financing activities		(121,980)		2,914,370	
Net increase/(decrease) in cash and cash equivalents		2,149,776		(1,550,488)	
Cash and cash equivalents at beginning of year		157,432		1,707,920	
Cash and cash equivalents at end of year		2,307,208		157,432	

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

Fletchers Solicitors Limited is a private company limited by shares incorporated in England and Wales. The registered office is Dukes House, 34 Hoghton Street, Southport, PR9 0PU.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 405 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Fee income represents revenue earned under a wide variety of 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. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised once 100% liability had been admitted on the non-cfa cases only. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

Deferred income is recognised in the accounts for the defendant work on case closure.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 4 years.

Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

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

Software	33.3% straight line
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1.6 Tangible fixed assets

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

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

Short leasehold	10% straight line
Fixtures and fittings	15% straight line or term of lease
Computers	33.3% straight line
Motor vehicles	25% reducing balance

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

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. These are held at cost less impairment losses. The investments are assessed for impairment losses at the end of each reporting period.

1.8 Impairment of fixed assets

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

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

1.9 Cash at bank and in hand

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

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

Deferred tax

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

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

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

2 Judgements and key sources of estimation uncertainty

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

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

These financial statements include estimates and assumptions with regard to the valuation of amounts recoverable from clients, provisions and discount rates applied.

3 Turnover and other revenue

	2018 £	2017 £
Turnover analysed by class of business		
Legal Services	<u>26,456,006</u>	<u>18,456,378</u>
	2018 £	2017 £
Other significant revenue		
Interest income	<u>11,824</u>	<u>83,588</u>
	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	<u>26,456,006</u>	<u>18,456,378</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	344,143	269,959
Depreciation of tangible fixed assets held under finance leases	40,606	57,200
Profit on disposal of tangible fixed assets	-	(1,167)
Amortisation of intangible assets	288,900	295,665
Operating lease charges	<u>189,875</u>	<u>137,059</u>

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	15,500	13,900
For other services		
Other assurance services	6,500	6,900
Taxation compliance services	1,250	3,200
All other non-audit services	-	2,625
	<u>7,750</u>	<u>12,725</u>

6 Employees

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

	2018 Number	2017 Number
Directors	8	6
Other fee earners	243	205
Administrative and accounting staff	116	107
	<u>367</u>	<u>318</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	11,265,470	8,956,804
Social security costs	1,074,565	908,430
Pension costs	73,555	58,391
	<u>12,413,590</u>	<u>9,923,625</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	825,546	664,463
Company pension contributions to defined contribution schemes	2,297	1,515
	<u>827,843</u>	<u>665,978</u>

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

7 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2017 - 5).

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

	2018 £	2017 £
Remuneration for qualifying services	170,000	171,393
Company pension contributions to defined contribution schemes	-	373
	<u>170,000</u>	<u>171,766</u>

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	11,824	7,588
Other interest income	-	1,235
Total interest revenue	<u>11,824</u>	<u>8,823</u>
Other income from investments		
Gains on financial instruments	-	74,765
Total income	<u>11,824</u>	<u>83,588</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	11,824	7,588
Interest on financial assets measured at fair value through profit or loss	-	74,765
	<u>11,824</u>	<u>82,353</u>

9 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	185,319	86,596
Interest on finance leases and hire purchase contracts	13,565	11,601
	<u>198,884</u>	<u>98,197</u>
Other finance costs:		
Other interest	-	4,000
	<u>198,884</u>	<u>102,197</u>

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	1,150,000	100,000
Adjustments in respect of prior periods	(2,817)	6,525
Total current tax	<u>1,147,183</u>	<u>106,525</u>
Deferred tax		
Origination and reversal of timing differences	<u>(119,652)</u>	<u>39,812</u>
Total tax charge	<u>1,027,531</u>	<u>146,337</u>

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

	2018 £	2017 £
Profit before taxation	<u>5,165,646</u>	<u>325,492</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	981,473	65,098
Tax effect of expenses that are not deductible in determining taxable profit	132,700	14,779
Adjustments in respect of prior years	(2,817)	6,525
Permanent capital allowances in excess of depreciation	41,212	13,901
Research and development tax credit	(38,000)	(20,000)
Other non-reversing timing differences	32,615	66,034
Deferred tax adjustments in respect of prior years	<u>(119,652)</u>	<u>-</u>
Taxation charge for the year	<u>1,027,531</u>	<u>146,337</u>

11 Dividends

	2018 £	2017 £
Interim paid	<u>1,940,001</u>	<u>-</u>

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

12 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 May 2017 and 30 April 2018	2,000,000	14,975	2,014,975
Amortisation and impairment			
At 1 May 2017	1,711,666	8,968	1,720,634
Amortisation charged for the year	288,334	566	288,900
At 30 April 2018	2,000,000	9,534	2,009,534
Carrying amount			
At 30 April 2018	-	5,441	5,441
At 30 April 2017	288,334	6,007	294,341

13 Tangible fixed assets

	Short leasehold £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 May 2017	746,294	388,377	921,189	24,231	2,080,091
Additions	1,787	15,060	94,057	-	110,904
Disposals	-	(6,776)	(6,002)	-	(12,778)
At 30 April 2018	748,081	396,661	1,009,244	24,231	2,178,217
Depreciation and impairment					
At 1 May 2017	276,264	154,186	452,192	18,919	901,561
Depreciation charged in the year	75,943	55,358	250,037	3,411	384,749
Eliminated in respect of disposals	-	(882)	(1,957)	-	(2,839)
At 30 April 2018	352,207	208,662	700,272	22,330	1,283,471
Carrying amount					
At 30 April 2018	395,874	187,999	308,972	1,901	894,746
At 30 April 2017	470,030	234,191	468,997	5,312	1,178,530

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £	2017 £
Fixtures and fittings	<u>93,168</u>	<u>186,580</u>
Depreciation charge for the year in respect of leased assets	<u>40,606</u>	<u>57,200</u>

14 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	15	3	3
Investments in joint ventures	16	50	50
		<u>53</u>	<u>53</u>

Movements in fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 May 2017 & 30 April 2018	<u>53</u>
Carrying amount	
At 30 April 2018	<u>53</u>
At 30 April 2017	<u>53</u>

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

15 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Medical Compensation 4 U Limited	England & Wales	Dormant	Ordinary	100.00
Medicclaim Limited	England & Wales	Dormant	Ordinary	100.00
Patient Claimline Limited	England & Wales	Dormant	Ordinary	100.00
Medical Law Pagination Services Limited	England & Wales	Drafting legal documents	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/ (Loss) £	Capital and Reserves £
Medical Compensation 4 U Limited	-	1
Medicclaim Limited	-	1
Patient Claimline Limited	-	1
Medical Law Pagination Services Limited	5,586	5,686

Investments in subsidiaries are measured at cost.

Medical Law Pagination Services Limited (registration number 10842126) is exempt from the requirements of the Act relating to the audit of individual financial statements, by virtue of section 479a of the Companies Act 2006.

16 Joint ventures

Details of the company's joint venture at 30 April 2018 is as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Frenkel Topping Associates Limited	United Kingdom	Financial Advisory	Ordinary	50.00

17 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	25,918,236	22,409,245
Carrying amount of financial liabilities		
Measured at amortised cost	21,453,253	19,165,996

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

18 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	11,537,740	8,014,056
Amounts owed by group undertakings	320,000	-
Other debtors	6,609,022	6,758,190
Prepayments and accrued income	792,420	777,102
	<u>19,259,182</u>	<u>15,549,348</u>
Amounts falling due after more than one year:		
Trade debtors	683,533	899,623
Other debtors	6,767,941	6,737,376
	<u>7,451,474</u>	<u>7,636,999</u>
Total debtors	<u>26,710,656</u>	<u>23,186,347</u>

Included in trade and other debtors is amounts relating to unbilled disbursements of £10,916,451 (2017: £9,458,941) due within one year and £7,471,111 (2017: £7,689,972) due after one year, which after discounting is shown in the financial statements in long term debtors as £7,451,474 (2017: £7,636,999). These amounts are repayable between one to three years and no interest is charged on these balances, which is why they have been discounted at a market rate of interest.

Bad debt provision against debtors amounts to £412,683 (2017: £334,115), being irrecoverable disbursements on failed cases incurred in the ordinary course of business.

19 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	21	-	3,500,000
Obligations under finance leases	22	146,054	99,258
Other borrowings	21	6,639,423	5,604,553
Trade creditors		315,678	220,178
Corporation tax		600,000	6,525
Other taxation and social security		1,190,630	1,048,423
Other creditors		993,965	869,837
Accruals and deferred income		1,451,935	1,141,795
		<u>11,337,685</u>	<u>12,490,569</u>

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

20 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	21	5,500,000	-
Obligations under finance leases	22	28,105	113,931
Other borrowings	21	6,378,093	7,555,912
Other creditors		-	60,532
		<u>11,906,198</u>	<u>7,730,375</u>

21 Loans and overdrafts

	2018 £	2017 £
Bank loans	5,500,000	3,500,000
Other loans	13,017,516	13,160,465
	<u>18,517,516</u>	<u>16,660,465</u>
Payable within one year	6,639,423	9,104,553
Payable after one year	<u>11,878,093</u>	<u>7,555,912</u>

The long-term loans are secured by a debenture over Fletchers Solicitors Limited.

A new loan facility was arranged in May 2017 with a loan limit of £5,500,000 and is subject to an interest rate of 2.5% per annum above LIBOR. The loan is repayable in full 36 months after the drawdown.

Included in other loans is amounts relating to unbilled disbursements of £6,639,423 (2017: £5,604,553) due within one year, and £6,559,221 (2017: £7,769,144) due after one year, which after discounting is shown in the financial statements in long term creditors as £6,378,093 (2017: £7,555,912). These amounts are repayable between one to three years and no interest is paid on these balances, which is why they have been discounted at a market rate of interest of 2.5%.

22 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	146,054	99,258
In two to five years	28,105	113,931
	<u>174,159</u>	<u>213,189</u>

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

22 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of equipment. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Balances included within hire purchase are secured against the asset to which they relate.

23 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	24	8,968	128,620

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Advanced capital allowances	8,968	125,417
Other short-term timing differences	-	3,203
	<u>8,968</u>	<u>128,620</u>
Movements in the year:		2018 £
Liability at 1 May 2017		128,620
Credit to profit or loss		(119,652)
Liability at 30 April 2018		<u>8,968</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

25 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>73,555</u>	<u>58,391</u>

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

26 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
670 Ordinary shares of £1 each	670	670
300 Ordinary A shares of £1 each	300	300
30 Ordinary B shares of £1 each	30	30
	<u>1,000</u>	<u>1,000</u>

27 Operating lease commitments

Lessee

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

	2018	2017
	£	£
Within one year	192,535	177,122
Between two and five years	134,000	169,237
	<u>326,535</u>	<u>346,359</u>

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are considered to be the directors and certain key managers is as follows:

	2018	2017
	£	£
Aggregate compensation	<u>1,468,984</u>	<u>1,597,418</u>

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

28 Related party transactions

(Continued)

Medical Law Pagination Services Limited is a related company which is owned by Fletchers Solicitors Limited incorporated on 29 June 2017. The balance owed to Medical Law Pagination Services Limited at the year ended is £Nil. The amount due from Medical Law Pagination Services Limited is £734,688. Costs charged to Medical Law Pagination Services Limited for the year ended 30 April 2018 totalled £526,210. Income in the form of recharges to Medical Law Pagination Services Limited totalled £50,119.

Ultimate Costs Limited is a related company by virtue of common ownership. The balance owed to Ultimate Costs Limited at the year ended 30 April 2018 is £12,000 (2017: £245,961). The amount due from Ultimate Costs Limited is £Nil (2017: £16,476). Costs charged to Ultimate Costs Limited for the year ended 30 April 2018 totalled £1,532,589 (2017: £1,483,345). Income in the form of recharges to Ultimate Costs Limited totalled £97,893 (2017: £91,332).

At the year end there was a debtor due from Primeshare Limited totalling £98 (2017: £98) of which Mr E Fletcher holds all the shares and Mr E Fletcher, Mr R Fletcher and Mr S Threlfall are directors.

Southport Rugby Club is a related party by virtue of a common director. During the year the company paid Southport Rugby Club £4,642 (2017: £1,200) in the form of sponsorship.

Savage Hutchinson Consulting Limited is a related party by virtue of a common director. During the year the company paid Savage Hutchinson Limited £900 (2017: £2,700) for consultancy services.

MAH Consultancy Services Limited is a related party by virtue of common director. During the year the company paid MAH Consultancy Services Limited £Nil (2017: £26,233) for consultancy services.

29 Directors' transactions

Dividends totalling £1,940,001 (2017 - £Nil) were paid in the year in respect of shares held by Mr R Fletcher, Mr E Fletcher and Mr S Threlfall.

Included in other creditors at the year ended 30 April 2018, is a balance of £4,391 (2017: debtor of £91,069) that was owed to the directors of the company.

30 Controlling party

The company is controlled by Mr R Fletcher, a director and majority shareholder.

FLETCHERS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

31 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	4,138,115	179,155
Adjustments for:		
Taxation charged	1,027,531	146,337
Finance costs	198,884	102,197
Investment income	(11,824)	(83,588)
Gain on disposal of tangible fixed assets	-	(1,167)
Amortisation and impairment of intangible assets	288,900	295,665
Depreciation and impairment of tangible fixed assets	384,749	327,159
(Decrease) in provisions	-	(141,985)
Movements in working capital:		
(Increase) in debtors	(3,524,309)	(5,337,057)
Increase in creditors	611,443	884,360
Cash generated from/(absorbed by) operations	3,113,489	(3,628,924)