

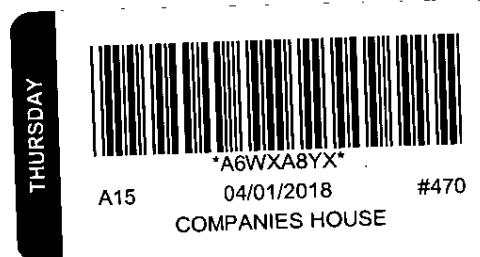
Begbies Traynor (Investigations) Limited

Report and Financial Statements

Year Ended

30 April 2017

Company Number: 2910407



Begbies Traynor (Investigations) Limited

**Report and financial statements
for the year ended 30 April 2017**

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Directors

Begbies Traynor Limited
D Shelmerdine

Secretary

J A Humphrey

Registered office

340 Deansgate
Manchester
M3 4LY

Company number

2910407

Begbies Traynor (Investigations) Limited

Directors report for the year ended 30 April 2017

The directors present their annual report on the affairs of the company and the financial statements for the year ended 30 April 2017.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under section 414B of the Companies Act 2006. The company is classified as small, and accordingly, a strategic report has not been prepared.

For the financial year ended 30 April 2017, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

PRINCIPAL ACTIVITIES

The principal activity of the company is an investigations agency.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £703,843 (2016: £1,240).

No ordinary dividend was paid during the year (2016: £nil).

GOING CONCERN

After making enquiries and taking into account the current economic uncertainty, based on the assumptions outlined in note 1 to the financial statements, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTOR

The directors who served during the year and since the year end are shown on the contents page.

Approved by the directors and signed on 17 November 2017.



Begbies Traynor Limited
Director

Begbies Traynor (Investigations) Limited

Directors responsibility statement

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Begbies Traynor (Investigations) Limited

Income statement for the year ended 30 April 2017

	Note	2017 £	2016 £
Turnover	3	307,963	461,696
Cost of sales		(323,951)	(329,534)
Gross (loss) / profit		(15,988)	132,162
Administrative expenses		(687,855)	(133,402)
Operating loss and loss on ordinary activities before taxation	4	(703,843)	(1,240)
Taxation on loss on ordinary activities	6	-	-
Loss for the financial year		(703,843)	(1,240)

There were no recognised gains and losses in either year other than the profit or loss for that year shown above. Accordingly, a separate statement of comprehensive income has not been presented.

All results were derived from continuing operations

The notes on pages 6 to 12 form part of these financial statements.

Begbies Traynor (Investigations) Limited

Balance sheet as at 30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	7	-	-
Tangible assets	8	889	116
		<u>889</u>	<u>116</u>
Current assets			
Debtors	9	228,503	770,390
Cash at bank and in hand		10,987	21,575
		<u>239,490</u>	<u>791,965</u>
Creditors: amounts falling due within one year	10	(3,826,354)	(3,674,213)
Net current liabilities		<u>(3,586,864)</u>	<u>(2,882,248)</u>
Net liabilities		<u>(3,585,975)</u>	<u>(2,882,132)</u>
Capital and reserves			
Called-up share capital	12	100	100
Profit and loss account		(3,586,075)	(2,882,232)
Shareholders' deficit		<u>(3,585,975)</u>	<u>(2,882,132)</u>

For the financial year ended 30 April 2017, the company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for year ended 30 April 2017 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The company's financial statements been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under section 414B of the Companies Act 2006.

The notes on pages 6 to 12 form part of these financial statements.

These financial statements of Begbies Traynor (Investigations) Limited, registered number 2910407, were approved and signed by the directors and authorised for issue on 17 November 2017.



Begbies Traynor Limited
Director

Begbies Traynor (Investigations) Limited

Statement of changes in equity as at 30 April 2017

	Share Capital £	Retained earnings £	Total equity £
At 1 May 2015	100	(2,880,992)	(2,880,892)
Loss and other comprehensive income for the financial year	-	(1,240)	(1,240)
At 30 April 2016	100	(2,882,232)	(2,882,132)
Loss and other comprehensive income for the financial year	-	(703,843)	(703,843)
At 30 April 2017	100	(3,586,075)	(3,585,975)

The notes on pages 6 to 12 form part of these financial statements.

Begbies Traynor (Investigations) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

1 Accounting policies

Begbies Traynor (Investigations) Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

FRS102 exemptions

FRS 102 allows a qualifying entity certain exemptions. The company has taken advantage of the available exemptions not to disclose:

- a statement of cash flows;
- certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated; and
- key management personnel compensation in total.

The company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

Going concern

In preparing these financial statements the directors have considered the financial position and trading of the company, the forecast financial performance for twelve months from the date of signing these financial statements, and the financial strength of the ultimate parent undertaking, Begbies Traynor Group plc. This review included sensitivity analysis to determine the potential impact on the company of reasonably possible downside scenarios. Under all modelled scenarios, the company's banking facilities were sufficient and all associated covenant measures were forecast to be met.

In view of the company's net liabilities position, the company is dependent on the financial support of the ultimate parent undertaking and accordingly the director has obtained evidence that such support will be available throughout the 12 months from the date of these financial statements.

After making these enquiries, the directors have adopted the going concern basis in preparing these financial statements.

The following principal accounting policies have been applied:

Revenue

Revenue represents amounts recoverable from clients for professional services provided during the year, excluding value added tax. The company recognises revenue when the amount can be reliably measured and it is probable economic benefits will flow.

Services provided to clients, which at the balance sheet date have not been billed, are recognised as unbilled revenue.

Revenue recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. These estimates and judgements may change over time as the case completes and this will be recognised in the profit and loss account in the period in which the revision becomes known. These judgements are formed over a large portfolio of cases and are therefore unlikely to be individually material.

Begbies Traynor (Investigations) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

1 Accounting policies (continued)

Revenue (continued)

Unbilled revenue on individual client assignments is included as unbilled income within trade and other receivables.

For contingent fee engagements, revenue is only recognised (over and above any agreed minimum fee) when it is virtually certain at the balance sheet date of a successful outcome to the engagement.

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Tangible fixed assets and depreciation

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

Computer equipment:	10% to 33% straight line
Office equipment:	15% straight line

Residual value is calculated on prices prevailing at the date of acquisition.

Leases

Rentals under operating leases are charged to the profit and loss account in equal instalments over the lease term. Lease incentives are spread on a straight-line basis over the period of the lease.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on-demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade debtors are stated at amortised cost less allowances for estimated irrecoverable amounts.

Trade creditors

Trade creditors are stated at their amortised cost.

Financial liabilities and equity instruments

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.

Begbies Traynor (Investigations) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

1 Accounting policies (continued)

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies, the company is required to make certain estimates, judgements and assumptions that it believes are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented.

On an ongoing basis, the company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

(i) Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied.

(ii) Key accounting estimates and assumptions

The directors do not consider there to be any key accounting estimates and assumptions that require further analysis.

3 Turnover

All turnover arose within the United Kingdom and is stated net of value added tax.

Begbies Traynor (Investigations) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

4 Loss before taxation

	2017 £	2016 £
Depreciation of tangible fixed assets	576	576
Operating lease rentals:	19,318	48,078
	<hr/>	<hr/>

5 Employees

	2017 £	2016 £
Staff costs (including directors) consist of:		
Wages and salaries	175,444	190,530
Social security costs	18,602	18,621
Pension costs	10,659	10,063
	<hr/>	<hr/>
	204,705	219,214
	<hr/>	<hr/>

The average number of employees (including directors) during the year was as follows:

	2017 Number	2016 Number
Administration	6	7
	<hr/>	<hr/>

Directors received total emoluments of £52,820 (2016: £35,213). The total amount payable to the highest paid director was £52,820 (2016: £35,213)

Begbies Traynor (Investigations) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

6 Taxation on loss on ordinary activities

	2017 £	2016 £
<i>UK corporation tax</i>		
Current tax on losses of the year	-	-
	<u>-</u>	<u>-</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(703,843)	(1,240)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.92% (2016 - 20%)	(140,205)	(248)
Effects of:		
Expenses not deductible for tax purposes	885	1,279
Capital allowances in excess of depreciation	(1,952)	(2,374)
Group relief surrendered	141,272	1,343
Total tax charge for the period	<u>-</u>	<u>-</u>

7 Intangible assets

	Goodwill £
<i>Cost</i>	
At 1 May 2016 and 30 April 2017	<u>32,435</u>
<i>Amortisation</i>	
At 1 May 2016 and 30 April 2017	<u>32,435</u>
<i>Net book value</i>	
At 30 April 2017 and 30 April 2016	<u>-</u>

Begbies Traynor (Investigations) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

8 Tangible fixed assets

	Computer equipment £	Office equipment £	Total £
<i>Cost</i>			
At 1 May 2016	212,570	4,320	216,890
Additions	1,057	-	1,057
At 30 April 2017	213,627	4,320	217,947
<i>Depreciation</i>			
At 1 May 2016	212,454	4,320	216,774
Charge for the year	284	-	284
At 30 April 2017	212,738	4,320	217,058
<i>Net book value</i>			
At 30 April 2017	889	-	889
At 30 April 2016	116	-	116

9 Debtors

	2017 £	2016 £
Trade debtors	197,922	87,297
Unbilled income	27,050	79,760
Other debtors and prepayments	3,531	603,333
	228,503	770,390

All amounts shown under debtors fall due for payment within one year.

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	9,913	14,607
Amounts owed to group undertakings	3,707,835	3,516,007
Tax and social security	2,110	17,944
Accruals and deferred income	106,496	125,655
	3,826,354	3,674,213

All amounts shown under creditors due within one year are unsecured and repayable on demand.

Begbies Traynor (Investigations) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

11 Pensions

The company makes contributions to various employees' personal stakeholder pension schemes. The pension cost for the year amounted to £10,659 (2016: £10,063).

12 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	100	100

13 Guarantees and other financial commitments

Guarantees

The company has entered into cross guarantees with fellow subsidiary undertakings in the ordinary course of business in connection with the group's banking facilities. As at 30 April 2017, the group's total net indebtedness to the bank was £10,486,966 (2016: £11,798,425).

Lease commitments

Total commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2017 £	2016 £
Not later than 1 year	2,375	14,250
Later than 1 year and not later than 5 years	-	2,375
Total	2,375	16,625

Capital commitments

There are no outstanding capital commitments (2016: £nil)

11 Related party disclosures

Ultimate parent undertaking and controlling party

The immediate parent undertaking is Begbies Traynor Limited.

The company's ultimate parent undertaking is Begbies Traynor Group plc, a company registered in England and Wales. Copies of the parent's consolidated financial statements can be obtained from the Registrar of Companies. The smallest and largest group in which the results of the company are consolidated is that headed by Begbies Traynor Group plc.

In the opinion of the directors, Begbies Traynor Group plc is the ultimate controlling party.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned as permitted by FRS 102 Section 33.