

# Huntswood CTC Limited

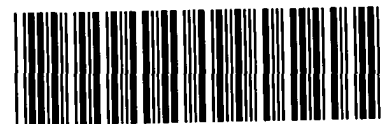
Report and Financial Statements

Year Ended

30 September 2019

Company number 03969379

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# Huntswood CTC Limited

## Report and financial statements for the year ended 30 September 2019

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### Directors

A C Lane (Chairman)  
Lord Brownlow  
C S Coffield  
M Bonfield  
B Rawson  
D Knight  
M R Dodd

### Secretary and registered office

D Knight, Abbey Gardens, Abbey Street, Reading, RG1 3BA

### Company number

03969379

### Auditors

BDO LLP, Level 12, Thames Tower, Station Road, Reading, RG1 1LX

### Bankers

Lloyds TSB Bank, The Atrium, Davidson House, Forbury Square, Reading, Berkshire, RG1 3EU

### Solicitors

Osborne Clarke, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2019

The directors present their strategic report together with the audited consolidated financial statements for the year ended 30 September 2019.

### Principal activities

The principal activities and core services of the company during the year were the provision of resourcing and outsourcing solutions backed by expert advisory capability to help our clients deliver better customer, compliance and commercial outcomes. Our clients are mainly in regulated industries including the financial services and utilities sector.

### Results and dividends

The consolidated profit for the year, after taxation, amounted to £18,152,883 (2018 - £22,792,916).

Dividends declared and paid during the year on Ordinary shares and 'A' Ordinary shares amounted to £15,804,929 (2018 - £22,934,008). (see note 19).

### Review of developments

Some of the company's key financial performance indicators during the year were as follows:

	2019	2018	Movement
Consolidated turnover	<b>£196,406,377</b>	£221,364,231	(£24,957,854)
Operating profit	<b>£22,218,357</b>	£28,056,081	(£5,834,724)
EBITDA	<b>£24,369,950</b>	£30,049,075	(£5,679,125)
Return to shareholders	<b>£15,804,929</b>	£22,934,008	(£7,129,079)
Current assets as a proportion of current liabilities	<b>1.34</b>	1.18	(0.16)

The demand from clients required to manage PPI complaints declined as expected from 2018 to 2019 and as such contributed to c.50% of the reduction in revenue between the years.

The current year was the first full year of our investment in our Centre of Excellence in Liverpool which opened in 2018. This investment provides further flexibility and location to deliver onsite client operations. During the year we have begun to win onsite operational engagements from clients and we now have longer term client operations on our site in Liverpool with more due to start during 2020. These longer-term engagements provide better visibility and stability over the company's core revenue going forward.

Even though the overall revenue has decreased by c.11% the company has still been able to maintain a healthy EBITDA % ratio of c.12.4% (13.6% in 2018) which is due to a continued focus on its cost base.

The directors continue to invest in the infrastructure and operating model to allow the company to support its future client needs whilst maintaining a focus on costs and efficiencies. The aim is to have the appropriate mix of contracted labour and employed staff, and the ability to work on client's sites or our own, as demanded by the size, nature, location and duration of the client assignment.

The financial performance of the company was assessed throughout the year by the provision of detailed monthly management financial statements and forecasts of future sales pipeline. The key measures used to manage the company on a monthly basis included operating profitability by business unit, EBITDA %, project profitability and staff utilisation by department. The company also monitored its balance sheet position by assessing

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2019 (continued)

### Review of developments (continued)

detailed daily cash flows and overall current assets as a proportion of current liabilities. The directors are satisfied with the company's performance against plan, as measured by these key financial performance indicators.

Investment continues to be made in respect of our people by way of training and recruitment; upgrading our core IT systems, improving our general office and operating infrastructure, investing in new software and investing into our sales function. This investment has enabled the company to build capacity, introduce technology and improve its ability to service its clients. Following this investment surplus cash has then been distributed back to the shareholders.

In addition to financial KPIs, the company also assesses the performance using a variety of non-financial KPIs throughout the year. Some of these are based on quantitative data, whilst others rely on qualitative data such as opinion surveys.

Some of the company's non-financial key performance indicators during the year were as follows:

	2019	2018	Movement
Number of issued proposals	168	211	(43)
Brand awareness measured by average monthly website visits	34,521	37,734	(3,213)

### Share issues and repurchases

During the current and prior year, several repurchases and cancellations of shares took place. These are detailed in note 16 to the financial statements.

### Risk management

The directors believe that key to Huntswood's ability to deliver its services successfully is the identification and management of risk and the ability to respond to changes in the external operating environment.

Managing risk is a critical element of the company's corporate responsibility and underpins the safe delivery of the Board's business plans and strategic objectives. It protects Huntswood's reputation, supports the company's ability to do business and helps to create long-term competitive advantage. Risk management is embedded in Huntswood's organisation structure, operations and performance management tools. The business has a systematic approach to risk identification and management, which combines the Board's assessment of risk with risk factors originating from and identified by the individual business units.

### Monitored quarterly

Overall responsibility for risk management resides with Huntswood's Board of directors. Key risks are monitored by the Board by reviewing a quarterly operational and financial management report for the business, which includes operational, financial and external market progress against predefined performance indicators. In this report, progress in implementing plans to mitigate and manage risks are reported by a narrative commentary and a traffic light system. In this way it is clear whether risk mitigation has been achieved, is in progress or has escalated and requires immediate attention. This provides a dynamic risk management process where new risks are identified and mitigation processes are refined in the context of the current external operating environment.

### Clear accountability

Huntswood has nominated executive directors with responsibility for key risks and this approach is closely aligned with the company's business model, which integrates and coordinates operational, finance, legal and governance decision making.

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2019 *(continued)*

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### Part of group strategy

Whilst risk management operates on a rolling calendar basis, key risks for strategic delivery of the company's business plans and objectives are identified as part of the Board's annual review of group strategy. The Board's review sets out the business' growth strategy, strategic objective and strategic priorities.

### Embedded in the business

The executive directors meet monthly to discuss strategy implementation and separately with senior management committees. This reporting and communication structure between the executive directors and senior management leads to an effective two-way exchange of information and ensures co-ordinated decision-making takes place with a premium placed on risk management.

In each area of risk, the executive directors are supported by members of the senior management team or senior managers with functional or business unit roles. Accountability for managing risk is assigned to individual managers and each employee is personally responsible for managing risk within the remit of their role.

### Quarterly risk and audit committee

The risk reporting process is co-ordinated independently by the Group's risk and audit committee, chaired by a non-executive director with input from the executive directors and senior managers accountable for managing risks. This provides the Board with an active, action-oriented process that closely monitors key risks. The system also validates progress being made in mitigating risk throughout the year across the business.

The audit committee also plays a key role in reviewing the effectiveness of the Group's internal control procedures and financial risk management systems. The committee monitors the integrity of the financial statements and the work of the external auditors together with the arrangements in place for managing Information Technology risk relating to the Group's critical business systems.

### Appropriate policies and procedures

Huntswood has detailed policies, procedures and systems in place to support risk management across the group. These include the Group's risk management policy and information security policy in relation to its ISO27001 accreditation.

### Principal risks and uncertainties

Huntswood regularly reviews developments within the financial services and utilities sector and where appropriate the findings are factored into the Group's planning cycle.

The principal risks to be managed by the business are:

- i) Customer demand for Huntswood's solutions is insufficient to cover its required level of staff utilisation for company profitability.

The Group manages this risk by:

- Close monitoring of the sales pipeline
- Appropriate use of contracted labour to provide workforce flexibility
- Targeting longer term contracts wherever possible to provide maximum visibility of sales pipeline
- Ongoing development of new outsourcing and consulting services to meet evolving client needs
- Identifying other opportunities outside of the financial services sector which are complementary to our core skill sets

# Huntswood CTC Limited

Strategic report  
for the year ended 30 September 2019 *(continued)*

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## Principal risks and uncertainties *(continued)*

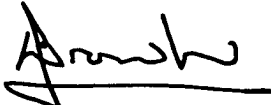
ii) The quality of work delivered by Huntswood fails to match the client's expectations

The Group manages this risk by:

- Ensuring that all solutions sold are covered by a contract which clearly sets out both parties expectations of each other
- Ensuring that our solutions are staffed with appropriately skilled personnel and managed by our experienced project and operational managers
- An ongoing training and development programme for Huntswood staff .
- Actively seeking feedback from the customer throughout and beyond the engagement to ensure that Huntswood continues to meet and exceed the customer's expectations

Details relating to financial risks that affect the group are included in the directors' report.

On behalf of the Board



Lord Brownlow  
Director

Date: 28-02-2020

# Huntswood CTC Limited

## Report of the directors for the year ended 30 September 2019

The directors present their report together with the audited consolidated financial statements for the year ended 30 September 2019. Certain elements of the directors' report have been disclosed in the strategic report, if directors feel it of strategic importance.

### Dividends

Dividends declared and paid during the year on Ordinary shares and 'A' Ordinary shares amounted to £15,804,929 (2018 - £22,934,008) (see note 19). The board do not recommend a final dividend (2018 –Nil).

### Future prospects

The financial services and utilities sector, as well as other regulated businesses, continue to face the challenges of complying with existing and new regulations resulting in increased compliance demands. The directors believe that with Huntswood's specialist knowledge, delivery expertise and technology capability, it continues to be well positioned to assist and drive better outcomes for its clients utilising its resourcing, solutions and advisory services.

Whilst the regulator set a deadline of the 29<sup>th</sup> August 2019 for customers to complain about the mis-selling of PPI, we anticipate that we will continue to recognise PPI related revenue into 2020 due to the level of complaints received by some of our clients. However, the level of revenue to be recognised in 2020 remains uncertain. The strategy and focus of the directors is to continue to drive further growth in respect of its well-established core revenue streams with a key focus on delivering longer term client engagements on our site and also securing partnerships.

### Financial risk

The principal financial risks applicable to and managed by the business are:

i) *Price risk*

Price risk is the risk of a decline in the value of a security or a portfolio. The Group manages this risk by only holding cash deposits as detailed below and by not investing in financial instruments that are exposed to price risk.

ii) *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is mainly exposed to credit risk from credit sales.

The Group manages this risk by:

- Ensuring that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures
- Ensuring that cash reserves are at a level that should the base rate increase they would be able to settle a large portion of their borrowing facility
- Cash is maintained at a level sufficient to meet the expected working capital requirements of the business in accordance with latest forecast.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating 'A' are accepted.

Cash is held with the following institutions:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Lloyds Banking Group	6,646,775	5,358,158	6,646,774	5,358,157
Santander	1,002,661	2,092	1,002,661	2,092

# Huntswood CTC Limited

## Report of the directors for the year ended 30 September 2019 *(continued)*

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### Financial risk *(continued)*

#### iii) *Liquidity risk*

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages this risk by:

- Applying cash collection targets
- Utilising credit facilities where necessary
- Reviewing rolling 12-month cash flow projections on a monthly basis

#### iv) *Cash flow interest rate risk*

Cash flow interest rate risk is the exposure to cash flow interest rate fluctuations on long term borrowings at variable rate. The Group is mainly exposed to interest rate fluctuations. The Group manages this risk by constantly monitoring its working capital requirements.

### Directors

The directors of the Company during the year and up to the date of signature of the accounts were:

A C Lane (Chairman)  
Lord Brownlow  
C S Coffield  
M Bonfield  
B Rawson  
D Knight  
M R Dodd

(appointed 21<sup>st</sup> October 2019)

# Huntswood CTC Limited

## Report of the directors for the year ended 30 September 2019 (*continued*)

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### Directors' indemnity

The Group has indemnified the directors of the Group against liability in respect of proceedings brought about by third parties, subject to conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force throughout the period and at the date of signing these accounts.

### Employee involvement

Communication - A Staff Forum, consisting of a mixture of democratically elected employee representatives and directors, meets regularly to discuss a wide range of issues affecting employees' interests. Members of the Staff Forum are involved and consulted regarding key business changes. The delegates encourage a two-way flow of information between the employees and management. Furthermore, the Huntswood intranet (Yammer) is an effective communication tool across our geographical locations and includes features such as an open discussion board and regular business updates.

Reward - Every employee is eligible to make choices regarding their own benefits. An easy-to-access online service provides information about the range and value of their comprehensive reward package.

Training - Huntswood positively encourages the continuous personal development of each employee and offers proactive services from the Learning and Development team which enable employees to excel.

Wellbeing - Huntswood offers Employee Wellbeing which involves five interconnected elements; physical / mental, community, social, financial and career, which are commonly referred to as the '5 Pillars' of wellbeing. The Group has Wellbeing Champions, which represent all areas of the business who meet regularly to discuss all aspects of Employee Wellbeing and assist with initiatives and events. The Champions provide feedback to the business to help ensure the ongoing strategy continues to be relevant and flexible to employees' requirements.

### Disabled persons

We are dedicated to creating and maintaining a culturally and socially diverse workplace that offers the best opportunities to the widest range of talented individuals. Huntswood is committed to offering continuous support, assistance and training to encourage participation and career development for all employees, both able-bodied and disabled.

Where existing employees become disabled, it is the company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and provide training and career development and promotion wherever it is deemed appropriate.

### Research & Development

During the year, £823,053 was capitalised as intangible asset in respect of software related research & development costs. Also, during the year the company disposed-off cost relating to intangible asset at a disposal loss of £393,668. This is set out in note 10 to the financial statements.

### Political donations

During the year, no political donations were made by group companies (2018 - £Nil).

### Post balance sheet events

Material post balance sheet events are disclosed in note 21 of the consolidated financial statements.

### Directors' statement as to disclosure of information to auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

# Huntswood CTC Limited

## Report of the directors for the year ended 30 September 2019 (*continued*)

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### 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:

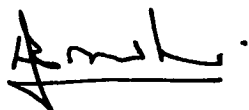
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### Auditors

A resolution to reappoint BDO LLP as auditor will be put to the members at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

### On behalf of the Board



Lord Brownlow  
Director

Date: 28-02-2020

# Huntswood CTC Limited

## Independent auditor's report

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF HUNTSWOOD CTC LIMITED

#### Opinion

We have audited the financial statements of Huntswood CTC Limited ("the Parent Company") and its subsidiaries ("the Group") for the ended 30 September 2019 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company balance sheet, the company statement of changes in equity 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 Financial Reporting Standard 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 Group's and of the Parent Company's affairs as at 30 September 2019 and of the Group's profit for the then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent 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 Group or Parent 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.

# Huntswood CTC Limited

## Independent auditor's report (continued)

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### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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 the audit:

- the information given in the Strategic report and Directors' report for the financial for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

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

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

# Huntswood CTC Limited

## Independent auditor's report (*continued*)

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### **Auditor's responsibilities for the audit of the financial statements**

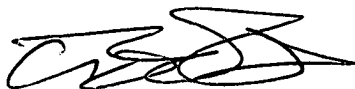
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

<https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Pooles (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Reading, UK  
28 February 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Huntswood CTC Limited

## Consolidated statement of comprehensive income for the year ended 30 September 2019

	Note	2019 £	2018 £
Turnover	3	196,406,377	221,364,231
Cost of sales		(151,366,614)	(168,527,165)
<b>Gross profit</b>		<b>45,039,763</b>	<b>52,837,066</b>
Administrative expenses		(22,821,406)	(24,780,985)
<b>Operating profit</b>	6	<b>22,218,357</b>	<b>28,056,081</b>
Interest receivable and similar income	7	80,827	58,634
Interest payable and similar charges	8	(68)	(56,359)
<b>Profit on ordinary activities before taxation</b>		<b>22,299,116</b>	<b>28,058,356</b>
Tax on profit on ordinary activities	9	(4,146,233)	(5,265,440)
<b>Profit and total comprehensive income for the year</b>		<b>18,152,883</b>	<b>22,792,916</b>

All recognised gains and losses in the current and prior year are included in the statement of comprehensive income; accordingly, no separate statement of other comprehensive income has been prepared.

The notes on pages 20 to 36 form part of these financial statements.

# Huntswood CTC Limited

## Consolidated balance sheet at 30 September 2019

<i>Company number 03969379</i>	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	10	819,572	654,365
Tangible fixed assets	11	1,578,152	2,895,277
<b>Current assets</b>			
Cash		7,649,436	5,360,250
Debtors	13	23,441,429	24,281,648
<b>Total current assets</b>		<b>31,090,865</b>	<b>29,641,898</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(23,261,997)</b>	<b>(25,058,001)</b>
<b>Net current assets</b>		<b>7,828,868</b>	<b>4,583,897</b>
<b>Total assets less current liabilities</b>		<b>10,226,592</b>	<b>8,133,539</b>
<b>Provision for liabilities and charges</b>	15	<b>(405,099)</b>	<b>(660,000)</b>
<b>Net assets</b>		<b>9,821,493</b>	<b>7,473,539</b>
<b>Capital and reserves</b>			
Called up share capital	16	37,820	39,481
Share premium		3,316	3,316
Capital redemption		32,587	30,926
Profit and loss account		9,747,770	7,399,816
<b>Shareholders' funds</b>		<b>9,821,493</b>	<b>7,473,539</b>

The financial statements were approved by the Board of Directors and authorised for issue on: 28/2/20

*D Knight*  
D Knight  
Director

The notes on pages 20 to 36 form part of these financial statements.

## Huntswood CTC Limited

### Consolidated statement of changes in equity for the year ended 30 September 2019

	Share Capital £	Share premium £	Capital redemption £	Profit and loss account £	Total Equity £
<b>1 October 2018</b>	<b>39,481</b>	<b>3,316</b>	<b>30,926</b>	<b>7,399,816</b>	<b>7,473,539</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	18,152,883	18,152,883
<b>Total comprehensive income for the year</b>	-	-	-	18,152,883	18,152,883
<b>Contributions by and distributions to owners</b>					
Dividends (note 19)	-	-	-	(15,804,929)	(15,804,929)
Repurchase and cancellation of ordinary shares (note 16)	(1,661)	-	1,661	-	-
<b>Total contributions by and distributions to owners</b>	(1,661)	-	1,661	(15,804,929)	(15,804,929)
<b>30 September 2019</b>	<b>37,820</b>	<b>3,316</b>	<b>32,587</b>	<b>9,747,770</b>	<b>9,821,493</b>

The notes on pages 20 to 36 form part of these financial statements.

# Huntswood CTC Limited

## Consolidated statement of changes in equity for the year ended 30 September 2018 (continued)

	Share Capital £	Share premium £	Capital redemption £	Profit and loss account £	Total Equity £
<b>1 October 2017</b>	41,974	3,316	28,433	7,540,908	7,614,631
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	22,792,916	22,792,916
<b>Total comprehensive income for the year</b>	-	-	-	22,792,916	22,792,916
<b>Contributions by and distributions to owners</b>					
Dividends (note 19)	-	-	-	(22,934,008)	(22,934,008)
Repurchase and cancellation of ordinary shares (note 16)	(2,493)	-	2,493	-	-
<b>Total contributions by and distributions to owners</b>	(2,493)	-	2,493	(22,934,008)	(22,934,008)
<b>30 September 2018</b>	<b>39,481</b>	<b>3,316</b>	<b>30,926</b>	<b>7,399,816</b>	<b>7,473,539</b>

The notes on pages 20 to 36 form part of these financial statements.

# Huntswood CTC Limited

## Consolidated statement of cash flows for the year ended 30 September 2019

		2019 £	2018 £
<b>Cash flows from operating activities</b>			
<b>Profit for the financial year</b>		<b>18,152,883</b>	22,792,916
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	10,11	2,151,593	1,992,994
Net interest payable/(receivable)	7,8	(80,759)	(2,275)
Taxation expense	9	4,146,233	5,226,820
Decrease in trade and other debtors		911,054	14,382,923
Decrease in trade and other creditors		(1,159,392)	(2,082,985)
Increase in provisions		(254,901)	660,000
Loss on disposal of fixed assets	6	-	1,969
<b>Cash from operations</b>		<b>23,866,711</b>	42,972,362
Interest paid	8	(68)	(56,359)
Taxation paid		(4,852,018)	(5,245,410)
<b>Net cash generated from operating activities</b>		<b>19,014,625</b>	37,670,593
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	11	(176,623)	(1,316,883)
Purchase of Intangible asset in progress	10	(823,053)	(370,314)
Interest received	7	80,827	58,634
<b>Net cash from investing activities</b>		<b>(918,849)</b>	(1,628,563)
<b>Cash flows from financing activities</b>			
Equity dividends paid		(15,804,929)	(22,934,008)
Company repurchase of own shares		(1,661)	(2,492)
<b>Net cash used in financing activities</b>		<b>(15,806,590)</b>	(22,936,500)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,289,186</b>	13,105,530
Cash and cash equivalents at beginning of year		5,360,250	(7,745,280)
<b>Cash and cash equivalents at end of year</b>		<b>7,649,436</b>	5,360,250
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		7,649,436	5,360,250
Bank overdrafts		-	-
		<b>7,649,436</b>	5,360,250

The notes on pages 20 to 36 form part of these financial statements.

# Huntswood CTC Limited

## Company balance sheet at 30 September 2019

<b>Company number 03969379</b>	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Fixed assets</b>			
Intangible assets	10	819,572	654,365
Tangible fixed assets	11	1,578,152	2,895,277
<b>Current assets</b>			
Cash		7,649,435	5,360,249
Debtors	13	23,441,429	24,281,648
<b>Total current assets</b>		<b>31,090,864</b>	<b>29,641,897</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(23,261,997)</b>	<b>(25,058,001)</b>
<b>Net current assets</b>		<b>7,828,867</b>	<b>4,583,896</b>
<b>Total assets less current liabilities</b>		<b>10,226,591</b>	<b>8,133,538</b>
<b>Provision for liabilities and charges</b>	15	<b>(405,099)</b>	<b>(660,000)</b>
<b>Net assets</b>		<b>9,821,492</b>	<b>7,473,538</b>
<b>Capital and reserves</b>			
Called up share capital	16	37,820	39,481
Share premium		3,316	3,316
Capital redemption		32,587	30,926
Profit and loss account		9,747,769	7,399,815
<b>Shareholders' funds</b>		<b>9,821,492</b>	<b>7,473,538</b>

The company's individual profit and loss account has been approved in accordance with section 414(1) (approval by directors) of the Companies Act 2006 but the company has taken advantage of the exemptions allowed under s408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

The consolidated profit for the year includes the company's individual profit after tax of £18,152,883 (2018 - £22,792,916).

The financial statements were approved by the Board of Directors and authorised for issue on: 28/2/20

  
D Knight  
Director

The notes on pages 20 to 36 form part of these financial statements.

# Huntswood CTC Limited

## Company statement of changes in equity for the year ended 30 September 2019

	Share Capital £	Share premium £	Capital redemption £	Profit and loss account £	Total Equity £
<b>1 October 2018</b>	<b>39,481</b>	<b>3,316</b>	<b>30,926</b>	<b>7,399,815</b>	<b>7,473,538</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	18,152,883	18,152,883
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,152,883</b>	<b>18,152,883</b>
<b>Contributions by and distributions to owners</b>					
Dividends (note 19)	-	-	-	(15,804,929)	(15,804,929)
Repurchase and cancellation of ordinary shares (note 16)	(1,661)	-	1,661	-	-
<b>Total contributions by and distributions to owners</b>	<b>(1,661)</b>	<b>-</b>	<b>1,661</b>	<b>(15,804,929)</b>	<b>(15,804,929)</b>
<b>30 September 2019</b>	<b>37,820</b>	<b>3,316</b>	<b>32,587</b>	<b>9,747,769</b>	<b>9,821,492</b>

The notes on pages 20 to 36 form part of these financial statements.

## Huntswood CTC Limited

### Company statement of changes in equity for the year ended 30 September 2018 *(continued)*

	Share capital £	Share premium £	Capital redemption £	Profit and loss account £	Total Equity £
<b>1 October 2017</b>	41,974	3,316	28,433	7,541,907	7,615,630
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	22,792,916	22,792,916
<b>Total comprehensive income for the year</b>	-	-	-	22,792,916	22,792,916
<b>Contributions by and distributions to owners</b>					
Dividends (note 19)	-	-	-	(22,934,008)	(22,934,008)
Repurchase and cancellation of ordinary shares (note 16)	(2,493)	-	2,493	-	-
<b>Total contributions by and distributions to owners</b>	(2,493)	-	2,493	(22,934,008)	(22,934,008)
<b>30 September 2018</b>	<b>39,481</b>	<b>3,316</b>	<b>30,926</b>	<b>7,399,815</b>	<b>7,473,538</b>

The notes on pages 20 to 36 form part of these financial statements.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (*continued*)

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### 1 Accounting policies

Huntswood CTC Limited is a private company limited by shares and 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 Group's operations and its principal activities are set out in the strategic 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 Group management to exercise judgement in applying the Group's accounting policies (see note 2).

#### *Parent company disclosure exemptions*

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

#### *Basis of consolidation*

The Group financial statements consolidate the financial statements of Huntswood CTC Limited and its subsidiary undertaking drawn up to 30 September 2019. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal.

No company profit and loss account is presented as permitted under Section 408 of the Companies Act 2006.

#### *Turnover*

Turnover is accounted for on the majority of our contracts to a day rate (typically a time and material basis), which is recognised at the point when the service is provided the end customer.

In the case of contracts which are in progress at the year end and where billing is rendered on account, revenue is recognised based on the estimated stage of completion of the contract. To the extent that revenue recognised is in excess of billings on account, this is included in accrued income. Where billings are made in advance of work done this is included in deferred income.

#### *Investments*

Fixed asset investments are carried at cost less provisions for any permanent diminution in value.

The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 1 Accounting policies (continued)

#### *Intangible Assets*

Costs which are directly attributable to the development of computer software are capitalised as intangible assets only when the technical feasibility of the project is demonstrated, the Group has an intention and ability to use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees' time spent directly involved in the project.

#### *Amortisation*

Amortisations provided from the date of acquisition to write off the cost less estimated residual value of each asset on a straight-line basis over their useful economic life, as follow:

Software	3 years
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#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures, fittings and equipment	-	15-33.3% per annum
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income.

#### *Impairment of assets*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### *Financial assets*

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 *(continued)*

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### 1 Accounting policies *(continued)*

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### *Finance costs*

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

#### *Current and deferred taxation*

The tax expense for the period 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### *Leases*

Operating lease rentals are charged to profit or loss on a straight-line basis over the term of the lease.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 *(continued)*

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### 1 Accounting policies *(continued)*

#### *Provisions*

All contracts in progress at the year-end are reviewed to identify any which may be loss making. Where such contracts are identified, a provision is made in full for the estimated losses beyond the year end.

#### *Pensions and other post-retirement benefits*

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

#### *Dividends*

Equity dividends are recognised when they are legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### *Reserves*

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Group as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Judgements have been made as to when in the stage of development of software assets all the criteria required for the recognition of internally generated intangibles have been met, in accordance with FRS 102.

#### *Other key sources of estimation uncertainty*

- *Tangible and intangible fixed assets (see note 10 & 11)*

Tangible and intangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 3 Turnover

Turnover is wholly derived within the United Kingdom through the provision of customer service back office processing and compliance solutions, learning and development, recruitment and consultancy solutions to third parties predominantly in the regulated retail financial services industry.

Turnover is stated exclusive of value added tax.

### 4 Directors remuneration

	2019 £	2018 £
Wages and salaries	2,393,887	2,984,306
Other pension costs	41,796	39,402
	<hr/>	<hr/>

The amount in respect of the highest paid director was £838,208 (2018 - £989,358). Pension cost for the highest paid director was £8,276 (2018 - £6,145). 5 directors were members of a company pension scheme during the year at a cost of £41,796 (2018 - £39,402).

# Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (continued)

## 5 Employee costs

Employee costs (including directors) during the year consist of:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	17,790,948	17,920,648	17,790,948	17,920,648
Social security costs	1,694,004	1,885,218	1,694,004	1,885,218
Other pension costs	543,640	442,547	543,640	442,547
	<u>20,028,592</u>	<u>20,248,413</u>	<u>20,028,592</u>	<u>20,248,413</u>

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

	Group 2019 Number	Group 2018 Number	Company 2019 Number	Company 2018 Number
Project staff	65	72	65	72
Administration	158	154	158	154
	<u>223</u>	<u>226</u>	<u>223</u>	<u>226</u>

A defined contribution pension scheme is operated by the group on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and are summarised above.

At the year end the group had pension contributions payable of £106,276 (2018 - £95,203), these are included within the accruals balance in note 14.

## 6 Operating profit

Operating profit is stated after charging:

	2019 £	2018 £
Amortisation of intangible assets (see note 10)	263,878	157,931
Impairment of intangible asset (see note 10)	393,968	-
Depreciation - owned assets (see note 11)	1,493,748	1,835,062
Loss on disposal of fixed assets (see note 11)	-	1,969
Auditors' remuneration:		
- audit fees	67,250	68,560
- tax compliance services	15,477	21,150
- tax advisory services	1,435	55,529
- other services	718	19,656
Operating lease rentals:		
- land and buildings	1,020,389	2,142,292
- other	16,839	22,684
	<u>1,020,389</u>	<u>2,142,292</u>
	<u>16,839</u>	<u>22,684</u>

# Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 7 Interest receivable and similar income

	2019 £	2018 £
Bank interest	22,573	2,665
Other interest	58,254	55,969
	<u>80,827</u>	<u>58,634</u>

Included in other interest receivable are interest amounts received from a related party, Huntswood Associates Limited of £58,254 (2018 - £52,629), additional details are included in note 20.

## 8 Interest payable and similar charges

	2019 £	2018 £
Bank loans and overdrafts	68	49,869
Other interest	-	6,490
	<u>68</u>	<u>33,649</u>

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 9 Taxation

	2019 £	2018 £
<b>(a) Tax on profit on ordinary activities</b>		
<i>Current tax</i>		
United Kingdom corporation tax at 19% based on the profit for the year (2018 – 19%)	4,216,758	5,314,621
Adjustment in respect of prior years	310	1,950
	<u>4,217,068</u>	<u>5,316,571</u>
<i>Deferred tax</i>		
Timing differences, origination and reversal	(53,583)	(49,431)
Adjustments in respect of prior periods	(17,252)	(1,700)
	<u>(70,835)</u>	<u>(51,131)</u>
 Tax on profit on ordinary activities	 <u>4,146,233</u>	 <u>5,265,440</u>

#### (b) Factors affecting the current tax charge

The tax assessed for the year is lower (2018 – lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	22,299,116	28,058,356
Profit on ordinary activities at the standard rate Of corporation tax in the UK of 19% (2018 - 19%)	<u>4,236,832</u>	<u>5,331,088</u>
Effects of:		
Expenses not deductible for tax purposes	31,221	55,064
Fixed asset timing differences	-	55,157
Additional deduction for R&D expenditure	(111,181)	(181,932)
Income not taxable for tax purposes	-	-
Adjustment to tax charge in respect of previous years	310	1,950
Adjustment to tax charge in respect of previous years-deferred tax	(17,252)	(1,700)
Other tax adjustments, reliefs and transfers	-	-
Adjust closing deferred tax to average rate of 19%	18,625	10,291
Adjust opening deferred tax to average rate of 19%	(12,322)	(4,477)
	<u>4,146,233</u>	<u>5,265,440</u>
 Total current tax	 <u>4,146,233</u>	 <u>5,265,440</u>

#### (c) Deferred tax asset

The group has recognised a deferred tax asset of £158,312 (2018 - £87,476). Deferred tax assets are recognised only to the extent that directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing difference can be deducted.

# Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

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10	Intangible assets	Software
	<b>Group and company</b>	<b>£</b>
	<i>Cost</i>	
	At 1 October 2018	812,296
	Additions	823,053
		<hr/>
	At 30 September 2019	<b>1,635,349</b>
		<hr/>
	<i>Accumulated amortisation</i>	
	At 1 October 2018	157,931
	Charge for the year	263,878
	Impairment	393,968
		<hr/>
	At 30 September 2019	<b>815,777</b>
		<hr/>
	<i>Net book value</i>	
	At 30 September 2019	<b>819,572</b>
		<hr/>
	At 30 September 2018	654,365
		<hr/>

During the year an impairment charge of £263,878 and impairment losses of £393,968 have been recognised in respect of the benchmarking software and the directors believe the recoverable value to be nil.

# Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 11 Tangible fixed assets

<b>Group and company</b>	<b>Fixtures, fittings and equipment £</b>
<i>Cost</i>	
At 1 October 2018	11,942,388
Additions	176,623
Disposals	(1,983,339)
	<hr/>
At 30 September 2019	<b>10,135,672</b>
	<hr/>
<i>Accumulated depreciation</i>	
At 1 October 2018	9,047,111
Charge for the year	1,493,748
Disposals	(1,983,339)
	<hr/>
At 30 September 2019	<b>8,557,520</b>
	<hr/>
<i>Net book value</i>	
At 30 September 2019	<b>1,578,152</b>
	<hr/>
At 30 September 2018	<b>2,895,277</b>
	<hr/>

# Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 *(continued)*

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## 12 Investments

The company has the following wholly owned subsidiary undertakings:

<b>Name</b>	<b>Country of incorporation or registration</b>	<b>Class of share capital held</b>	<b>Proportion of share Capital Held</b>	<b>Nature of business</b>
Huntswood Resources Limited	England and Wales	Ordinary	100%	Dormant

The country of incorporation and registered office are identical to those of the parent company.

# Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 13 Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	14,087,564	14,287,915	14,087,564	14,287,915
Prepayments and accrued income	7,320,895	8,262,852	7,320,895	8,262,852
Other debtors	173,000	-	173,000	-
Deferred tax (see analysis below)	158,312	87,476	158,312	87,476
Amounts due from related parties (note 20)	1,701,658	1,643,405	1,701,658	1,643,405
	<u>23,441,429</u>	<u>24,281,648</u>	<u>23,441,429</u>	<u>24,281,648</u>

All debtors are due within one year.

### Deferred tax

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<i>Deferred tax asset / (liability)</i>				
Analysis of the deferred tax balance:				
Capital allowances in excess of depreciation	145,657	50,892	145,657	50,892
Short term timing differences	12,655	36,584	12,655	36,584
	<u>158,312</u>	<u>87,476</u>	<u>158,312</u>	<u>87,476</u>

## 14 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	728,331	2,848,584	728,331	2,848,584
Corporation tax	2,139,997	2,776,613	2,139,997	2,776,613
Other taxes and social security	2,971,801	3,069,746	2,971,801	3,069,746
Accruals	17,412,871	16,354,881	17,412,871	16,354,881
Deferred income	8,997	8,177	8,997	8,177
	<u>23,261,997</u>	<u>25,058,001</u>	<u>23,261,997</u>	<u>25,058,001</u>

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 15 Provisions for liabilities and charges

	Dilapidations £
At 30 September 2018	660,000
Credit for the year	(254,901)
	<hr/>
At 30 September 2019	<b>405,099</b>
	<hr/>

Provisions for dilapidations are recognised on properties where the terms of the lease require restitution to be made for any changes; the expected maturity date for the provision is at the end of lease terms.

### 16 Called up share capital

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
2,921,864 (2018 - 3,044,000) ordinary shares of £0.01 each	<b>29,219</b>	30,440
853,474 "A" ordinary shares of £0.01 each	<b>8,535</b>	8,535
6,600 (2018 - 50,615) 'B' ordinary shares of £0.01 each	<b>66</b>	506
	<hr/>	<hr/>
	<b>37,820</b>	39,481
	<hr/>	<hr/>

#### Current year

On 15<sup>th</sup> October 2018, 6,600 ordinary shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

On 23<sup>rd</sup> October 2018, 5,500 ordinary shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

On 11<sup>th</sup> January 2019, 110,036 ordinary shares and 44,014 ordinary B shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

#### Prior year

On 31<sup>st</sup> October 2017, 231,654 ordinary C shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

On 31<sup>st</sup> December 2017, 17,600 ordinary shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

Company's ordinary shares have voting and dividend rights. 'A' ordinary shares have a right to receive dividend and carry no voting rights. B ordinary shares have no dividend and no voting rights.

# Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 17 Commitments under operating leases

The group had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2019 £	Other 2019 £	Land and Buildings 2018 £	Other 2018 £
Not later than 1 year	1,378,561	6,126	1,390,746	6,997
Later than 1 year and not later than 5 years	5,079,029	431	5,208,333	5,053
Later than 5 years	246,622	-	1,573,820	-
	<u>6,704,212</u>	<u>6,557</u>	<u>8,172,899</u>	<u>12,050</u>

## 18 Financial instruments

The Group's and Company's financial instruments may be analysed as follows:

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>23,611,657</u>	<u>21,291,570</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>18,141,203</u>	<u>19,203,467</u>

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors and accruals.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 19 Dividends

	2019 £	2018 £
Ordinary Shares		
Interim paid of £0.49 on 23 October 2018	1,477,997	-
Interim paid of £0.47 on 25 January 2019	1,371,469	-
Interim paid of £0.59 on 24 April 2019	1,735,329	-
Interim paid of £0.62 on 17 July 2019	1,807,636	-
Interim paid of £0.79 on 16 October 2017	-	2,405,967
Interim paid of £0.95 on 26 January 2018	-	2,892,651
Interim paid of £0.95 on 25 April 2018	-	2,897,930
Interim paid of £0.67 on 25 July 2018	-	2,045,442
	<b>6,392,431</b>	<b>10,241,990</b>
'A' Ordinary Shares		
Interim paid of £1.42 on 12 October 2018	1,210,003	-
Interim paid of £3.74 on 19 December 2018	3,188,927	-
Interim paid of £1.15 on 22 January 2019	980,531	-
Interim paid of £0.59 on 15 March 2019	500,000	-
Interim paid of £1.45 on 24 April 2019	1,240,671	-
Interim paid of £0.59 on 14 June 2019	500,000	-
Interim paid of £1.51 on 17 July 2019	1,292,366	-
Interim paid of £0.59 on 10 September 2019	500,000	-
Interim paid of £2.35 on 18 October 2017	-	2,004,033
Interim paid of £3.25 on 19 January 2018	-	2,772,808
Interim paid of £2.77 on 26 January 2018	-	2,368,149
Interim paid of £0.59 on 26 March 2018	-	500,000
Interim paid of £2.78 on 25 April 2018	-	2,372,470
Interim paid of £0.59 on 27 June 2018	-	500,000
Interim paid of £1.96 on 19 July 2018	-	1,674,558
Interim paid of £0.59 on 26 September 2018	-	500,000
	<b>9,412,498</b>	<b>12,692,018</b>
Total dividends paid during the year	<b>15,804,929</b>	<b>22,934,008</b>

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 20 Related party transactions

The Company's ultimate controlling party is considered to be Lord Brownlow by way of his majority shareholding in the ordinary share capital of the company.

There were no directors' loans during the year ended 30 September 2019.

#### Prior year

During the year ended 30 September 2018, a loan was issued to a director and shareholder of the company, with an interest rate charged at 2.5%.

	2019 £	2018 £
Balance outstanding as at 1 October	-	-
Amounts advanced	-	1,875,000
Interest charged	-	3,339
Amounts repaid	-	(1,878,339)
	<hr/>	<hr/>
Balance outstanding as at 30 September	-	-
	<hr/>	<hr/>

At 30 September 2019, there was a loan balance owed by Huntswood Associates Limited of £1,701,658 (2018 - £1,643,404) a company of which Lord Brownlow is a director and sole shareholder.

Related party loans are interest bearing at 2.75% above base rate. Interest is rolled up and the amount credited to the profit and loss account in the period was £58,254 (2018 - £52,629) as detailed in note 7.

The directors have no reason to believe that Huntswood Associates Limited will be unable to repay this amount, and as such, no provision has been recorded in the financial statements of the company.

During the year ended 30 September 2019, dividends of £9,412,498 were paid on the 'A' ordinary shares to Huntswood Associates Limited (2018 - £12,692,018).

#### Key management and director transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, including the directors of the group.

The total compensation including pension costs paid to key management personnel for services provided to the group was £2,418,683 (2018 - £3,039,958).

Dividends totalling £6,336,485 (2018 - £10,102,491) were paid to directors and key management personnel during the year.

During the year nil shares owned by directors and key management were purchased and cancelled by the company (2018 -249,300)

After the year end dividends totalling £6,351,905 were paid to directors and key management personnel along with Huntswood Associates Limited dividends paid of £7,455,928 (see note 21).

# Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 21 Post balance sheet events

After the year end the following dividends were paid.

	£
Ordinary Shares	
Interim paid of £0.94 (2018 - £0.49) on 14 October 2019	2,742,939
Interim paid of £1.16 (2018 - £nil) on 11 December 2019	3,393,687
Interim paid of £0.091 (2018 - £nil) on 31 January 2020	265,897
	<hr/>
	<b>6,402,523</b>
	<hr/>
'A' Ordinary Shares	
Interim paid of £ 2.29 (2018 - £1.42) on 14 October 2019	1,961,061
Interim paid of £ 6.22 (2018 - £3.74) on 11 December 2019	5,304,764
Interim paid of £ 2.23 (2018 - £nil) on 31 January 2020	190,103
	<hr/>
	<b>7,455,928</b>
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