

Company Registration No. 1501584 (England and Wales)

**ROSSENDALES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2004**



# ROSSENDALES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M Coatman B Dew Michael Shang (Appointed 13 May 2003) J Greene
<b>Secretary</b>	B Dew
<b>Company number</b>	1501584
<b>Registered office</b>	Hardman Mill, New Hall Hey Road Rawtenstall Rossendale Lancashire BB4 6HH
<b>Auditors</b>	Pierce Thompson House 3-6 Richmond Terrace Blackburn Lancashire BB1 7AU
<b>Bankers</b>	Barclays Bank plc 36 Bank Street, Rawtenstall Rossendale Lancashire BB4 7QW
<b>Solicitors</b>	Farleys Prudential Buildings Manchester Road Burnley Lancashire BB11 1HJ

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# ROSSENDALES LIMITED

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# ROSSENDALES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2004

The directors present their report and financial statements for the year ended 31 January 2004.

### Principal activities and review of the business

The principal activity of the company continued to be that of certificated bailiffs and the provision of enforcement services.

The company is satisfied with the results for this year.

### Results and dividends

The results for the year are set out on page 5.

The company's net profit, after tax and dividends, of £189,924 is to be added to reserves.

### Future developments

The company is satisfied with the growth in the business this year and also with the company's position in the marketplace.

### Directors

The following directors have held office since 1 February 2003:

M Coatman

B Dew

Michael Shang (Appointed 13 May 2003)

D Morris (Resigned 17 March 2004)

J Greene

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	31 January 2004	1 February 2003
M Coatman	-	-
B Dew	-	-
Michael Shang	-	-
D Morris	-	-
J Greene	-	-

	Ordinary Class A Shares of £ 1 each	
	31 January 2004	1 February 2003
M Coatman	-	-
B Dew	-	-
Michael Shang	-	-
D Morris	-	-
J Greene	-	-

	Ordinary Class B Shares of £ 1 each	
	31 January 2004	1 February 2003
M Coatman	1,017	1,187
B Dew	-	-
Michael Shang	-	-
D Morris	-	-
J Greene	168	-

# ROSSENDALES LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

	Ordinary Class C shares of £ 1 each	
	31 January 2004	1 February 2003
M Coatman	1	-
B Dew	-	-
Michael Shang	-	-
D Morris	-	-
J Greene	-	-

	Ordinary Class D shares of £ 1 each	
	31 January 2004	1 February 2003
M Coatman	-	-
B Dew	-	-
Michael Shang	-	-
D Morris	-	-
J Greene	1	-

	8% Redeemable cumulative preference shares of £ 1 each	
	31 January 2004	1 February 2003
M Coatman	-	-
B Dew	-	-
Michael Shang	-	-
D Morris	-	-
J Greene	-	-

### Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Pierce be reappointed as auditors of the company will be put to the Annual General Meeting.

# ROSSENDALES LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

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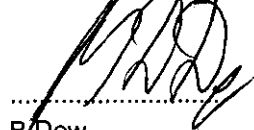
### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the board



B. Dew

Director

11 June 2004

# ROSSENDALES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROSSENDALES LIMITED

We have audited the financial statements of Rossendales Limited on pages 5 to 17 for the year ended 31 January 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pierce C.A. Limited

Pierce C.A. Limited

22 June 2004

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Registered Auditor

3-6 Richmond Terrace  
Blackburn  
Lancashire  
BB1 7AU

# ROSSENDALES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2004

	Notes	2004 £	2003 £
Turnover	2	7,991,290	7,048,311
Administrative expenses		(7,729,725)	(6,511,681)
Operating profit	3	261,565	536,630
Investment income		5,200	4,000
Other interest receivable and similar income		73,525	85,331
Interest payable and similar charges	4	(11,658)	(5,933)
Profit on ordinary activities before taxation		328,632	620,028
Tax on profit on ordinary activities	5	(62,708)	(152,068)
Profit on ordinary activities after taxation		265,924	467,960
Dividends	6	(76,000)	-
Retained profit for the year	15	189,924	467,960

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# ROSSENDALES LIMITED

## BALANCE SHEET AS AT 31 JANUARY 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Tangible assets	7 and 8		589,725		422,718
<b>Current assets</b>					
Debtors	9	676,075		539,568	
Cash at bank and in hand		2,987,278		2,691,858	
		<u>3,663,353</u>		<u>3,231,426</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,330,237)</u>		<u>(2,940,211)</u>	
<b>Net current assets</b>			333,116		291,215
<b>Total assets less current liabilities</b>			<u>922,841</u>		<u>713,933</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(132,647)		(123,780)
<b>Provisions for liabilities and charges</b>	12		(25,289)		(15,172)
			<u>764,905</u>		<u>574,981</u>
<b>Capital and reserves</b>					
Called up share capital	14		1,187		1,187
Other reserves	15		167,002		167,002
Profit and loss account	15		596,716		406,792
<b>Shareholders' funds</b>	16		<u>764,905</u>		<u>574,981</u>

The financial statements were approved by the Board on 11 June 2004



M Coatman  
Director

# ROSSENDALES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2004

	2004		2003	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		638,007		764,401
<b>Returns on investments and servicing of finance</b>				
Interest received	73,525		85,331	
Interest paid	(11,658)		(5,933)	
Property partnership income	5,200		4,000	
<b>Net cash inflow for returns on investments and servicing of finance</b>		67,067		83,398
<b>Taxation</b>		(136,896)		(180,650)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(270,411)		(314,839)	
Payments to acquire investments	-		(103,500)	
Receipts from sales of tangible assets	27,500		20,001	
<b>Net cash outflow for capital expenditure</b>		(242,911)		(398,338)
<b>Equity dividends paid</b>		(76,000)		-
<b>Net cash inflow before management of liquid resources and financing</b>		249,267		268,811
<b>Financing</b>				
Purchase of own shares	-		(818,889)	
Capital element of hire purchase contracts	46,153		196,943	
<b>Net cash inflow/(outflow) from financing</b>		46,153		(621,946)
<b>Increase/(decrease) in cash in the year</b>		295,420		(353,135)

# ROSSENDALES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2004

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		<b>2004</b>	<b>2003</b>
			<b>£</b>	<b>£</b>
	Operating profit		261,565	536,630
	Depreciation of tangible assets		75,903	44,266
	Increase in debtors		(136,507)	(176,729)
	Increase in creditors within one year		437,046	360,234
	<b>Net cash inflow from operating activities</b>		<b>638,007</b>	<b>764,401</b>

<b>2</b>	<b>Analysis of net funds</b>	<b>1 February 2003</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 January 2004</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash:				
	Cash at bank and in hand	2,691,858	295,420	-	2,987,278
	Debt:				
	Finance leases	(204,236)	(46,152)	-	(250,388)
	Net funds	2,487,622	249,268	-	2,736,890

<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Increase/(decrease) in cash in the year	295,420	(353,135)
	Cash inflow from increase in debt and lease financing	(46,152)	(196,944)
	<b>Movement in net funds in the year</b>	<b>249,268</b>	<b>(550,079)</b>
	Opening net funds	2,487,622	3,037,701
	<b>Closing net funds</b>	<b>2,736,890</b>	<b>2,487,622</b>

# ROSSENDALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for services net of VAT.

#### 1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Tenants Improv'ts	10% - straight line
Fixtures, fittings & equipment	15%-33% - straight line
Motor vehicles	25% - straight line

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

In accordance with the requirements of FRS19, deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

#### 1.7 Deferred taxation

In accordance with the requirements of FRS19, deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

#### 1.8 Amounts owed to clients

The company maintains liquid funds which are in excess of the company's liabilities to clients at any time.

### 2 Turnover

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

# ROSSENDALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

<b>3</b>	<b>Operating profit</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	75,903	44,266
	Auditors' remuneration	8,000	8,000
		<u>75,903</u>	<u>44,266</u>
<b>4</b>	<b>Interest payable</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Hire purchase interest	11,535	5,933
	On overdue tax	123	-
		<u>11,658</u>	<u>5,933</u>
<b>5</b>	<b>Taxation</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	52,591	136,896
		<u>52,591</u>	<u>136,896</u>
	<b>Current tax charge</b>	<b>52,591</b>	<b>136,896</b>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	10,117	15,172
		<u>62,708</u>	<u>152,068</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	328,632	620,028
		<u>328,632</u>	<u>620,028</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 25.22%)	62,440	156,371
		<u>62,440</u>	<u>156,371</u>
	Effects of:		
	Non deductible expenses	2,735	6,970
	Depreciation add back	14,422	11,170
	Capital allowances	(27,956)	(37,615)
	Other tax adjustments	950	-
		<u>(9,849)</u>	<u>(19,475)</u>
	<b>Current tax charge</b>	<b>52,591</b>	<b>136,896</b>
		<u>52,591</u>	<u>136,896</u>

# ROSSENDALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

6	Dividends	2004 £	2003 £
	Ordinary interim paid	76,000	-

7	Tangible fixed assets	Fixtures, fittings & equipment £	Motor vehicles £	Total £
	<b>Cost</b>			
	At 1 February 2003	544,485	60,477	604,962
	Additions	8,849	261,562	270,411
	Disposals	-	(40,950)	(40,950)
	At 31 January 2004	553,334	281,089	834,423
	<b>Depreciation</b>			
	At 1 February 2003	264,993	20,751	285,744
	On disposals	-	(13,450)	(13,450)
	Charge for the year	57,498	18,406	75,904
	At 31 January 2004	322,491	25,707	348,198
	<b>Net book value</b>			
	At 31 January 2004	230,843	255,382	486,225
	At 31 January 2003	279,492	39,726	319,218

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>			
At 31 January 2004	149,955	174,375	324,330
At 31 January 2003	188,242	30,713	218,955
<b>Depreciation charge for the year</b>			
31 January 2004	41,478	5,625	47,103
31 January 2003	3,191	10,238	13,429

# ROSSENDALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

### 8 Tangible fixed assets

	Property Partnership £
<b>Cost</b>	
At 1 February 2003 & at 31 January 2004	103,500

The company has a 90% share in a property partnership and has included its entitlement to its profit share as investment income of £5,200.

9 Debtors	2004 £	2003 £
Trade debtors	510,699	376,789
Prepayments and accrued income	165,376	162,779
	<u>676,075</u>	<u>539,568</u>

10 Creditors: amounts falling due within one year	2004 £	2003 £
Net obligations under hire purchase contracts	117,741	80,456
Trade creditors	41,932	31,460
Amounts owed to clients	2,532,724	2,105,503
Corporation tax	52,591	136,896
Other taxes and social security costs	415,057	498,597
Directors' current accounts	70,657	2,988
Accruals and deferred income	99,535	84,311
	<u>3,330,237</u>	<u>2,940,211</u>

# ROSSENDALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

11 Creditors: amounts falling due after more than one year	2004 £	2003 £
Net obligations under hire purchase contracts	132,647	123,780
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	117,741	80,456
Repayable between one and five years	132,646	123,780
	250,387	204,236
Included in liabilities falling due within one year	(117,741)	(80,456)
	132,646	123,780

The obligations under hire purchase contracts are secured against the assets acquired under the agreement.

### 12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 February 2003	15,172
Profit and loss account	10,117
Balance at 31 January 2004	25,289

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	25,289	15,172

### 13 Pension costs

#### Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	33,600	89,576



# ROSSENDALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

14 Share capital	2004 £	2003 £
<b>Authorised</b>		
- Ordinary Shares of £1 each	-	8,130
- Ordinary Class A Shares of £1 each	-	8,309
174,998 Ordinary Class B Shares of £1 each	174,998	3,561
1 Ordinary Class C shares of £1 each	1	-
1 Ordinary Class D shares of £1 each	1	-
- 8% Redeemable cumulative preference shares of £1 each	-	155,000
	<u>175,000</u>	<u>175,000</u>
 <b>Allotted, called up and fully paid</b>		
1,185 Ordinary Class B Shares of £1 each	1,185	1,187
1 Ordinary Class C shares of £1 each	1	-
1 Ordinary Class D shares of £1 each	1	-
	<u>1,187</u>	<u>1,187</u>

The Ordinary 'B' Shares are the only shares that are entitled to receive dividends and are entitled to vote.

On a winding up the Ordinary 'B', 'C' and 'D' shares would share any proceeds on a predetermined ratio based on the date of any winding up and the amount of the proceeds as detailed in the company's Articles of Association.

### 15 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 February 2003	167,002	406,792
Retained profit for the year	-	189,924
Balance at 31 January 2004	<u>167,002</u>	<u>596,716</u>
 <b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 1 February 2003 & at 31 January 2004	<u>167,002</u>	

# ROSSENDALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

16 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Profit for the financial year	265,924	467,960
Dividends	(76,000)	-
	<u>189,924</u>	<u>467,960</u>
Purchase of own shares	-	(818,889)
	<u>189,924</u>	<u>(350,929)</u>
Net addition to/(depletion in) shareholders' funds	189,924	(350,929)
Opening shareholders' funds	574,981	925,910
	<u>764,905</u>	<u>574,981</u>
Closing shareholders' funds	764,905	574,981

### 17 Contingent liabilities

The bank have a deed of charge over the company's monies in relation to a bond/guarantee/indemnity facility provided by the bank to various councils and authorities which deal with the company. The total amount of this facility is £1,000,000.

### 18 Financial commitments

At 31 January 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2004	2003	2004	Other 2003
	£	£	£	£
Expiry date:				
Between two and five years	-	-	3,200	3,200
In over five years	56,000	46,000	-	-
	<u>56,000</u>	<u>46,000</u>	<u>3,200</u>	<u>3,200</u>

19 Capital commitments	2004 £	2003 £
At 31 January 2004 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	<u>40,000</u>	<u>-</u>

# ROSSENDALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

20 Directors' emoluments	2004 £	2003 £
Emoluments for qualifying services	1,679,657	814,729
Company pension contributions to money purchase schemes	32,400	86,876
	<u>1,712,057</u>	<u>901,605</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2003- 5).

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

Emoluments for qualifying services	1,167,853	464,927
Company pension contributions to money purchase schemes	20,400	49,125
	<u>1,188,253</u>	<u>514,052</u>

### 21 Employees

#### Number of employees

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

	2004 Number	2003 Number
Management and Administration	<u>113</u>	<u>114</u>

#### Employment costs

	£	£
Wages and salaries	3,129,046	2,122,660
Other pension costs	33,600	89,576
	<u>3,162,646</u>	<u>2,212,236</u>

### 22 Enforcement officers

The company uses enforcement officers at various times under contract for services.

The average number of officers used by the company was:

Number	Number
<u>164</u>	<u>157</u>

# **ROSSENDALES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 JANUARY 2004**

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### **23 Control**

The company is under the control of the director, M Coatman, who owned 85.7% of the voting share capital of the company as at the yearend.