

Registration number: 01501584

# Rossendales Limited

Annual report and financial statements

for the year ended 31 May 2017

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## **Rossendales Limited**

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## **Rossendales Limited**

### **Company information**

<b>Directors</b>	R I L Dexter
	D Chapman
	R Shearer
<b>Company secretary</b>	Squire Patton Boggs Secretarial Services Limited
<b>Registered office</b>	Rutland House, 8th Floor 148 Edmund Street Birmingham B3 2JR
<b>Solicitors</b>	Squire Patton Boggs (UK) LLP 2 Park Lane Leeds LS3 1ES
	Travers Smith LLP 10 Snow Hill London EC1A 2AL
<b>Bankers</b>	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2P 2YU

## Rossendales Limited

### Strategic report For the year ended 31 May 2017

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

#### Principal activity

The principal activities of the company are:

- The enforcement of liability orders
- Property rent recoveries and possessions
- Tracing
- Training
- Bespoke recovery solutions
- Other field based visiting
- Telephone and letter based debt collection

#### Review of the business

The directors are pleased with the company's strong underlying financial performance for the year and we gain comfort from our clients high level of satisfaction with us. We continue to win new contracts and we are experiencing a growing number of opportunities arising within our wider sector. Turnover in the year was £22.1m (2016: £22.8m). The company's key financial and other performance indicators are as follows:

	2017	2016
Turnover	£22.1m	£22.8m
Case volume received	0.67m	1.04m

#### Principal risks and uncertainties

As with any business, the company is subject to risks. The directors have set out below the principal risk facing the business. The directors are of the opinion that a thorough risk management process is adopted, which involves the formal review of all the risks identified. Processes are in place to monitor and mitigate such risks.

#### Volumes not guaranteed

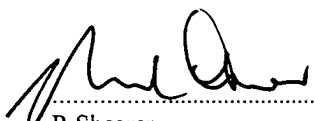
Many of the company's contracts do not guarantee a set volume of work to be issued. The company manages this risk by maintaining a broad client base and a range of income streams. These income streams include tracing & investigation, information intelligence, debt collection, compliance recovery, fieldforce based residency confirmation, distress warrant and liability order enforcement, arrest warrant enforcement, high court writ enforcement and commercial rent recovery.

This risk is further mitigated by the company's operating model, which means that the majority of its costs are variable.

#### Future developments

The company expects further organic growth as the market expands in the future.

Approved by the Board on 21 December 2017 and signed on its behalf by:

  
.....  
R Shearer  
Director

## **Rossendales Limited**

### **Directors' report For the year ended 31 May 2017**

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 May 2017.

#### **Directors' responsibilities statement**

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 director to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable United Kingdom Accounting Standards (UK GAAP), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,973,000 (2016: £5,552,000).

The directors do not recommend a payment of a dividend (2016: £nil).

#### **Employment of disabled persons**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

## **Rossendales Limited**

### **Directors' report (continued) For the year ended 31 May 2017**

#### **Employee involvement**

The company continues to involve its staff in the future development of the business. Information is provided to employees through newsletters, the group's intranet, and via regular memoranda from management.

#### **Directors**

The directors, who served throughout the year except as noted, were as follows:

R I L Dexter

D Chapman

R Shearer (appointed 30 May 2017)

J L Crichton (resigned 30 May 2017)

#### **Items dealt with in the Strategic report**

- Principal activities
- Business review
- Principal risks and uncertainties
- Future developments

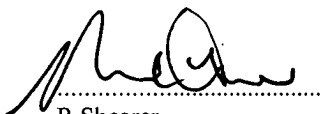
#### **Disclosure of information to the auditors**

Each directors have taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 21 December 2017 and signed on its behalf by:



R Shearer  
Director

## **Rossendales Limited**

### **Independent auditor's report to the members of Rossendales Limited**

We have audited the financial statements of Rossendales Limited for the year ended 31 May 2017, which comprise the profit and loss account, the balance sheet, the statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matter on which we are required to report under the Companies Act 2006**

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

**Rossendales Limited**

**Independent auditor's report to the members of Rossendales Limited (continued)**

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

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

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

*Grant Thornton UK LLP*

.....  
Gary Jones (Senior Statutory Auditor)  
For and on behalf of Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditor  
London

21 December 2017



## Rossendales Limited

### Profit and loss account

For the year ended 31 May 2017

	Note	2017 £ 000	2016 £ 000
Turnover	4	22,075	22,816
Expenses		(15,114)	(10,794)
Staff costs	5	(4,828)	(6,312)
Depreciation and amortisation		<u>(143)</u>	<u>(142)</u>
Operating profit		1,990	5,568
Interest payable and similar charges	6	<u>-</u>	<u>(1)</u>
Profit before taxation	7	1,990	5,567
Tax on profit	10	<u>(17)</u>	<u>(15)</u>
Profit for the financial year		<u><u>1,973</u></u>	<u><u>5,552</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year other than the results above and therefore, no statement of comprehensive income is presented.

The notes on pages 10 to 21 form an integral part of these financial statements.

# Rossendales Limited

## Balance sheet As at 31 May 2017

	Note	2017 £ 000	2016 £ 000
<b>Fixed assets</b>			
Intangible assets	11	79	106
Tangible assets	12	<u>489</u>	<u>466</u>
		<u>568</u>	<u>572</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	21,680	16,913
Cash at bank and in hand		<u>1,226</u>	<u>2,145</u>
		22,906	19,058
<b>Creditors: amounts falling due within one year</b>	14	<u>(7,092)</u>	<u>(5,221)</u>
<b>Net current assets</b>		<u>15,814</u>	<u>13,837</u>
<b>Net assets</b>		<u>16,382</u>	<u>14,409</u>
<b>Capital and reserves</b>			
Called-up share capital	16	1	1
Capital redemption reserve	16	167	167
Profit and loss account	16	<u>16,214</u>	<u>14,241</u>
<b>Shareholder's funds</b>		<u>16,382</u>	<u>14,409</u>

The financial statements of Rossendales Limited (registration number: 01501584) were approved by the Board of directors and authorised for issue on 21 December 2017.

They were signed on its behalf by:



R Shearer

Director

The notes on pages 10 to 21 form an integral part of these financial statements.

# **Rossendales Limited**

## **Statement of changes in equity For the year ended 31 May 2017**

	<b>Called-up share capital £ 000</b>	<b>Capital redemption reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
<b>At 1 June 2015</b>	1	167	8,689	8,857
Profit for the year	-	-	5,552	5,552
<b>At 31 May 2016</b>	<u>1</u>	<u>167</u>	<u>14,241</u>	<u>14,409</u>

	<b>Called-up share capital £ 000</b>	<b>Capital redemption reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
<b>At 1 June 2016</b>	1	167	14,241	14,409
Profit for the year	-	-	1,973	1,973
<b>At 31 May 2017</b>	<u>1</u>	<u>167</u>	<u>16,214</u>	<u>16,382</u>

The notes on pages 10 to 21 form an integral part of these financial statements.

## **Rossendales Limited**

### **Notes to the financial statements For the year ended 31 May 2017**

#### **1 General information**

The company is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Rutland House, 8th Floor  
148 Edmund Street  
Birmingham  
B3 2JR

The nature of the company's operations and its principal activities are set out in the Strategic report on page 2.

#### **2 Accounting policies**

##### **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of accounting**

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Rossendales Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The functional currency of Rossendales Limited is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the company operates.

##### **Related party disclosure exemption**

The company has taken advantage of the exemption available under FRS 102, section 33.1A, not to disclose transactions with wholly-owned members of the Marston Group headed by Marston Corporate Limited.

##### **Going concern**

The directors have considered forecast financial performance, recoverability of assets and financial viability for a period extending at least 12 months from the date of approval of these financial statements. The directors therefore have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing these financial statements.

## Rossendales Limited

### Notes to the financial statements (continued) For the year ended 31 May 2017

#### 2 Accounting policies (continued)

##### Amortisation of intangible assets

Intangible fixed assets are initially recognised at cost. Subsequently intangible fixed assets are stated at cost net of amortisation and any provision for impairment. Amortisation is provided at rates calculated to write off the cost of the intangible fixed assets over their useful lives. The carrying value of intangible fixed assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	25% reducing balance per annum

##### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

##### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation rate and method
Long-term leasehold property	Straight line over length of the lease
Fixtures and fittings	12.5% reducing balance per annum
Computer equipment	25% reducing balance per annum

##### Financial instruments

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

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

##### Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **Rossendales Limited**

### **Notes to the financial statements (continued) For the year ended 31 May 2017**

#### **2 Accounting policies (continued)**

##### **Financial assets and liabilities (continued)**

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

##### **Tax**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## **Rossendales Limited**

### **Notes to the financial statements (continued) For the year ended 31 May 2017**

#### **2 Accounting policies (continued)**

##### **Tax (continued)**

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### **Turnover**

Turnover comprises the invoiced value of services supplied by the company, fees collected and income accrued in respect of liability orders issued and debt collection cases worked. Turnover is exclusive of value added tax and trade discounts.

Turnover is recognised on:

- Liability order based cases completing the fixed fee compliance process where the fee has not been recovered in full. The turnover is calculated based on the number of open cases completing the compliance process less a provision for collection risk based upon historic collection levels.
- Debt collection cases placed in payment arrangements at the point a payment plan is established. The turnover is calculated as the fee for each case in arrangement less a provision for collection risk based upon historic collection levels.

No discounting for the time value of money is applied.

##### **Trade debtors**

Trade debtors are amounts due from clients for services provided in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **Rossendales Limited**

### **Notes to the financial statements (continued) For the year ended 31 May 2017**

#### **2 Accounting policies (continued)**

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### **Critical accounting judgements and key sources of estimation uncertainty**

There are no significant estimates or judgements used in preparing these accounts, other than those detailed below.

##### **Revenue recognition**

Accrued revenue includes a level of estimation connected to the provision applied for future collection risk. This provision is based on historic trends.

##### **Amortisation**

Intangible assets are being amortised over their deemed useful life. This period has been determined via a review of each asset, considering both historic and future factors. The directors believe the amortisation periods applied appropriately reflect the estimated useful life of the assets.



## Rossendales Limited

### Notes to the financial statements (continued) For the year ended 31 May 2017

#### 4 Turnover

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

#### 5 Staff costs

The average monthly number of employees (including executive directors) was:

	2017 No.	2016 No.
Operational	212	206
Administration	30	93
	<u>242</u>	<u>299</u>

Their aggregate remuneration comprised:

	2017 £ 000	2016 £ 000
Wages and salaries	4,376	5,677
Social security costs	330	440
Other pension costs (see note 18)	122	195
	<u>4,828</u>	<u>6,312</u>

With effect from 1 June 2016, as part of a group staff restructuring exercise, support function staff were transferred to Marston Resources Limited, a subsidiary undertaking within the Marston Corporate Limited group.

Intragroup management recharges in respect of the provision of shared services and/or strategic management services are not included within the staff costs note.

#### 6 Interest payable and similar charges

	2017 £ 000	2016 £ 000
Bank loans and overdrafts	<u>-</u>	<u>1</u>

#### 7 Profit before taxation

Profit before taxation is stated after charging:

	2017 £ 000	2016 £ 000
Depreciation of tangible assets owned by the company	116	109
Amortisation of intangible assets	27	33
Operating lease expense - Land and buildings	<u>188</u>	<u>188</u>

# Rossendales Limited

## Notes to the financial statements (continued) For the year ended 31 May 2017

### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £ 000	2016 £ 000
Emoluments	-	210
Contributions paid to money purchase schemes	-	66
	<u>-</u>	<u>276</u>

The number of directors who:

	2017 No.	2016 No.
Are members of a money purchase pension scheme	<u>-</u>	<u>3</u>

Remuneration of the highest paid director:

	2017 £ 000	2016 £ 000
Remuneration	<u>-</u>	<u>119</u>

### 9 Auditor's remuneration

Fees payable to the auditor and their associates for the audit of the company's annual accounts were £19,000 (2016: £nil). See table below for analysis.

	2017 £ 000	2016 £ 000
Auditor's remuneration for the audit of the company	<u>19</u>	<u>-</u>
<b>Total audit fees</b>	<u><u>19</u></u>	<u><u>-</u></u>

In the prior year, audit fees were borne by another group company.

# Rossendales Limited

## Notes to the financial statements (continued) For the year ended 31 May 2017

### 10 Tax on profit

The tax charge comprises:

	2017 £ 000	2016 £ 000
<b>Current taxation</b>		
UK corporation tax	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(23)	2
Adjustment relating to previous years	37	10
Arising from changes in tax rates and laws	3	3
<b>Total deferred tax</b>	17	15
<b>Total tax on profit</b>	17	15

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016: lower than the standard rate of corporation tax in the UK) of 19.83% (2016: 20%).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2017 £ 000	2016 £ 000
<b>Profit before taxation</b>	1,990	5,567
Tax on profit at standard UK corporation tax rate of 19.83% (2016: 20%)	395	1,113
Effects of:		
Expenses not deductible for tax purposes	9	12
Deferred tax expense (credit) relating to changes in tax rates or laws	3	3
Adjustments in respect of prior years	37	10
Group relief	(427)	(1,123)
<b>Tax charge for the year</b>	17	15

# Rossendales Limited

## Notes to the financial statements (continued) For the year ended 31 May 2017

### 11 Intangible assets

	Computer software £ 000
<b>Cost or valuation</b>	
At 1 June 2016 and 31 May 2017	<u>226</u>
<b>Amortisation</b>	
At 1 June 2016	120
Amortisation charge	<u>27</u>
At 31 May 2017	<u>147</u>
<b>Net book value</b>	
At 31 May 2017	<u>79</u>
At 31 May 2016	<u>106</u>

### 12 Tangible assets

	Long-term leasehold property £ 000	Computer and office equipment £ 000	Fixtures and fittings £ 000	Total £ 000
<b>Cost</b>				
At 1 June 2016	218	775	157	1,150
Additions	<u>23</u>	<u>107</u>	<u>9</u>	<u>139</u>
At 31 May 2017	<u>241</u>	<u>882</u>	<u>166</u>	<u>1,289</u>
<b>Depreciation</b>				
At 1 June 2016	97	463	124	684
Charge for the year	<u>24</u>	<u>87</u>	<u>5</u>	<u>116</u>
At 31 May 2017	<u>121</u>	<u>550</u>	<u>129</u>	<u>800</u>
<b>Net book value</b>				
At 31 May 2017	<u>120</u>	<u>332</u>	<u>37</u>	<u>489</u>
At 31 May 2016	<u>121</u>	<u>312</u>	<u>33</u>	<u>466</u>

## Rossendales Limited

### Notes to the financial statements (continued) For the year ended 31 May 2017

#### 13 Debtors: amounts falling due within one year

	2017 £ 000	2016 £ 000
Trade debtors	1,898	1,462
Amounts owed by group undertakings	17,954	13,508
Other debtors	16	34
Deferred tax asset (see note 15)	11	28
Prepayments and accrued income	1,801	1,583
Corporation tax asset	-	298
	<u>21,680</u>	<u>16,913</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

#### 14 Creditors: amounts falling due within one year

	2017 £ 000	2016 £ 000
Trade creditors	796	855
Amounts owed to group undertakings	5,121	3,461
Social security and other taxes	730	385
Other creditors	8	-
Accruals and deferred income	437	520
	<u>7,092</u>	<u>5,221</u>

Amounts owed to group undertakings are interest free, unsecured and payable on demand.

#### 15 Deferred tax

Deferred tax is as follows:

	Deferred tax £ 000
At 1 June 2016	28
Adjustment in respect of prior years	(37)
Deferred tax charged to profit and loss in the current year	<u>20</u>
At 31 May 2017	<u>11</u>

## Rossendales Limited

### Notes to the financial statements (continued) For the year ended 31 May 2017

#### 15 Deferred tax (continued)

The deferred tax asset is made up as follows:

	2017 £ 000	2016 £ 000
Fixed asset timing differences	<u>11</u>	<u>28</u>

#### 16 Called-up share capital and reserves

##### Allotted, called-up and fully paid shares

	No.	2017 £	No.	2016 £
Ordinary Class B shares of £1 each	1,185	1,185	1,185	1,185
Ordinary Class C share of £1 each	1	1	1	1
Ordinary Class D share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u>1,187</u>	<u>1,187</u>	<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.

The company's other reserves are as follows:

##### ***Profit and loss account***

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

##### ***Capital redemption reserve***

The capital redemption reserve is a non-distributable reserve and represents paid up share capital.

## Rossendales Limited

### Notes to the financial statements (continued) For the year ended 31 May 2017

#### 17 Obligations under leases

##### Operating leases

The total of future minimum lease payments is as follows:

	2017 Land and buildings £ 000	2016 Land and buildings £ 000
Within one year	200	188
Between two and five years	622	804
After five years	-	18
	<u>822</u>	<u>1,010</u>

#### 18 Pension commitments

The pension charge in relation to company pension contributions to money purchase pension schemes for the year is disclosed in note 5 to the financial statements. At the year-end, there were outstanding pension contributions of £nil (2016: £nil).

#### 19 Ultimate controlling party

Marston (Holdings) Limited is the immediate parent undertaking of Rossendales Limited. Marston (Holdings) Limited has included the company in its group financial statements, copies of which are available from its registered office - Rutland House, 8th Floor, 148 Edmund Street, Birmingham, B3 2JR.

The smallest group of undertakings for which consolidated financial statements have been drawn up is that headed by Marston (Holdings) Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by the ultimate parent company and controlling party as at 31 May 2017, Marston Corporate Limited. Consolidated accounts are available from Rutland House, 8th Floor, 148 Edmund Street, Birmingham, B3 2JR.