

Registered number: 01501584

---

**ROSSENDALES LIMITED**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**



---

**ROSSENDALES LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	R J Shearer (resigned 5 June 2020) R Anderson M S Watson (appointed 5 June 2020)
<b>Company secretary</b>	Squire Patton Boggs Secretarial Services Limited
<b>Registered number</b>	01501584
<b>Registered office</b>	Rutland House 8th Floor 148 Edmund Street Birmingham B3 2JR
<b>Independent auditors</b>	Grant Thornton UK LLP Statutory Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Bankers</b>	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	Squire Patton Boggs (UK) LLP 6 Wellington Place Leeds LS1 4AP  Travers Smith LLP 10 Snow Hill London EC1A 2AL

---

ROSSENDALES LIMITED

---

CONTENTS

---

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditors' Report	6 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 27

---

**ROSSENDALES LIMITED**

---

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MAY 2020**

---

**Introduction**

The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

**Principal activity**

The principal activities of Rossendales Limited ("the company") are:

- Council tax recovery;
- Other enforcement activities

**Business review**

The directors are satisfied with the Company's underlying financial performance for the year. Turnover for the year was £4.1m (2019:£12.7m). Turnover has reduced due to some lines of business now being contracted out of other group companies. During the year employees were transferred to another group company.

The Company's key financial and other performance indicators are as follows:

	<b>2020 £000</b>	<b>2019 £000</b>
Revenue	4,092	12,682
Cases	193	460

---

**ROSSENDALES LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2020**

---

**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.

**Covid-19**

The Covid-19 outbreak and the resulting measures taken by the UK government to contain the virus have negatively impacted the business results in the last 6 months.

As a result of the Pandemic the country went into Lockdown on 24th March 2020 with soft enforcement resuming in August 2020.

Future uncertainties around the scale and duration of the Pandemic remain but the company is confident that it will be able to continue to operate and has detailed risk management procedures and mitigations in place to facilitate this.

**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 and 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.

**Liquidity risk:**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The Company maintains an accurate rolling 12 month cash flow forecast and on the basis of this, and allowing for future uncertainty, considers that it has sufficient liquidity going forward.

**Credit Risk:**

The company's principal financial assets are intercompany debtors. The group has sufficient net assets in place to meet their obligations to the Company as they fall due, the directors consider the credit risk to be low and no provision is made against the amount due.

**Price Risk:**

This risk is mitigated by the operating model of the Company whereby the costs are largely variable which means that the Company can scale up or down as and when required.

**Future developments**

The Company does not foresee any significant change in trading activity in the future.

This report was approved by the board on 23/3/2021 and signed on its behalf.



.....  
**M S Watson**  
Director

---

**ROSSENDALES LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MAY 2020**

---

The directors present their report and the financial statements for the year ended 31 May 2020.

**Results and dividends**

The profit for the year, after taxation, amounted to £340,000 (2019 - £887,000 profit).

The directors do not recommend a payment of a dividend (2019: £nil).

**Directors**

The directors who served during the year and after the year end were:

R J Shearer (resigned 5 June 2020)  
R Anderson  
M S Watson (appointed 5 June 2020)

**Engagement with employees**

**Platinum Investors in People accreditation**

The Board recognises the importance of its employees, and this is reflected in the Group being awarded Platinum Investors in People accreditation in November 2020.

To attain Platinum status, a business must provide clear evidence that it puts people at the heart of decision making, and that it works in line with its values and towards a shared vision.

**Employers' Initiative on Domestic Abuse**

Marston became a founding member of the Employers' Initiative on Domestic Abuse in November 2020.

This is a network of large and small businesses whose mission it is to enable employers to take action on domestic abuse – raising awareness among all employees, supporting those facing domestic abuse and providing access to services to help perpetrators to stop.

**Inclusion Initiative**

The Investors in People Platinum assessment report found that 87 per cent of respondents had seen developments across the business in recruitment, selection, retention and diversity.

To further support this, we launched an Inclusion Initiative in December 2020. Representative volunteers from across the business now work in consultation with our Independent Advisory Group and Ethics Committee to offer counsel on in these areas.

**Disabled employees**

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 group that training, career development and promotion opportunities should be available to all employees.

---

**ROSSENDALES LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2020**

---

**Matters covered in the strategic report**

The Group's principal activities, risks and uncertainties and future developments are set out in the strategic report, as are the business review and the s172(1) disclosures.

**Going concern**

The directors have considered forecast financial performance, recoverability of assets and financial viability for the period extending at least 12 months from the date of approval of these financial statements, including scenario analysis and stress testing in relation to Covid-19 (for example the impact of continued social distancing measures on the Group's forecast revenues, and the impact of the UK government's lockdown roadmap set out on 22 February) and continued covenant compliance.

As a result, the directors have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future, and have therefore adopted the going concern basis in preparing these financial statements.

The directors have considered the resources of the wider Marston Holdings Group including confirmation of support available from them.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

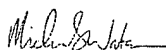
**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Auditors**

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

This report was approved by the board on 23/3/2021 and signed on its behalf.



---

**M S Watson**  
Director

---

**ROSSENDALES LIMITED**

---

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MAY 2020**

---

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 financial statements in accordance with 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'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting 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 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 to 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.

---

**ROSSENDALES LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSSENDALES LIMITED**

---

**Opinion**

We have audited the financial statements of Rossendales Limited (the 'company') for the year ended 31 May 2020, which comprise the statement of comprehensive income, the balance sheet, the 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 Company's affairs as at 31 May 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid 19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid 19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with a course of action associated with these particular events.

---

**ROSSENDALES LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSSENDALES LIMITED (CONTINUED)**

---

**Conclusions relating to going concern**

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

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

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditors' Report is not a guarantee that the Company will continue in operation.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

---

## ROSSENDALES LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSSENDALES LIMITED (CONTINUED)

---

#### **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 Strategic Report or the Directors' Report.

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

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

#### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

---

**ROSSENDALES LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSSENDALES LIMITED (CONTINUED)**

---

Grant Thornton UK LLP

Gary Jones  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester

Date: 23/3/2021

---

**ROSSENDALES LIMITED**


---



---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MAY 2020**


---

	Note	2020 £000	As Restated 2019 £000
Turnover	4	4,092	12,682
Expenses		(3,563)	(10,371)
Staff costs	7	-	(1,277)
Depreciation and amortisation		(123)	(122)
<b>Operating profit</b>	5	<b>406</b>	<b>912</b>
Interest receivable and similar income	9	3	-
Interest payable and expenses	10	(76)	(33)
<b>Profit before tax</b>		<b>333</b>	<b>879</b>
Tax on profit	11	7	8
<b>Profit for the financial year</b>		<b>340</b>	<b>887</b>

The notes on pages 13 to 27 form part of these financial statements.

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.

**ROSSENDALES LIMITED**  
**REGISTERED NUMBER: 01501584**

**BALANCE SHEET**  
**AS AT 31 MAY 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible fixed assets	12	39	47
Tangible assets	13	163	274
		<u>202</u>	<u>321</u>
<b>Current assets</b>			
Debtors	14	26,158	39,381
Bank and cash balances		411	964
		<u>26,569</u>	<u>40,345</u>
Creditors: amounts falling due within one year	15	(28,538)	(22,176)
<b>Net current (liabilities)/assets</b>		<u>(1,969)</u>	<u>18,169</u>
<b>Total assets less current liabilities</b>		<u>(1,767)</u>	<u>18,490</u>
<b>Net (liabilities)/assets</b>		<u><u>(1,767)</u></u>	<u><u>18,490</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Other reserves	17	167	167
Profit and loss account	17	(1,935)	18,322
		<u><u>(1,767)</u></u>	<u><u>18,490</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23/3/2021



.....  
**M S Watson**  
 Director

The notes on pages 13 to 27 form part of these financial statements.

---

**ROSSENDALES LIMITED**


---



---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2020**


---

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
<b>At 1 June 2018</b>	<b>1</b>	<b>167</b>	<b>17,435</b>	<b>17,603</b>
Profit for the year	-	-	887	887
<b>At 1 June 2019</b>	<b>1</b>	<b>167</b>	<b>18,322</b>	<b>18,490</b>
Profit for the year	-	-	340	340
Loan reorganisation costs (note 17)	-	-	(20,597)	(20,597)
<b>At 31 May 2020</b>	<b>1</b>	<b>167</b>	<b>(1,935)</b>	<b>(1,767)</b>

The notes on pages 13 to 27 form part of these financial statements.

---

**ROSSENDALES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

---

**1. General information**

Rossendales Limited ("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 1.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Free Flow Topco Limited as at 31 May 2020 and these financial statements may be obtained from Embassy House, 60 Church Street, Birmingham, B3 2DJ.

The following principal accounting policies have been applied:

---

**ROSSENDALES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

---

**2. Accounting policies (continued)**

**2.3 Going concern**

The directors have considered forecast financial performance, recoverability of assets and financial viability for the period extending at least 12 months from the date of approval of these financial statements, including scenario analysis and stress testing in relation to Covid-19 (for example the impact of continued social distancing measures on the Group's forecast revenues, and the impact of the UK government's lockdown roadmap set out on 22 February) and continued covenant compliance.

As a result, the directors have reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future, and have therefore adopted the going concern basis in preparing these financial statements.

The directors have considered the resources of the wider Marston Holdings Group including confirmation of support available from them.

**2.4 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.

**2.5 Operating lease**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

---

**ROSSENDALES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

---

**2. Accounting policies (continued)****2.7 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.8 Tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 balance sheet date in the countries where the Company operates and generates income.

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

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	25 % reducing balance per annum
-------------------	---	---------------------------------

---

**ROSSENDALES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

---

**2. Accounting policies (continued)****2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	- Straight line over length of lease
Fixtures and fittings	- 12.5% reducing balance per annum
Computer equipment	- 25% reducing balance per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in profit or loss.

**2.11 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

---

**ROSSENDALES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

---

**2. Accounting policies (continued)****2.14 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.15 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.

**2.16 Dividends**

Dividends and other distributions to the companies shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**2. Accounting policies (continued)****2.17 Prior Year Adjustment**

During the current period it was determined that in 2019 disbursement income of £366,100 was showing under administrative expenses rather than turnover. This has therefore been reclassified to turnover resulting in a £366,100 increase in turnover and a £366,100 increase in administrative expenses. The net impact on the profit and reserves for the year ending 31 May 2019 is nil.

**Statement of Comprehensive Income**

	<b>2019 Restated £000</b>	<b>2019 Original £000</b>	<i>Variance £000</i>
Turnover	<b>12,682</b>	<b>12,316</b>	366
Administrative expenses	<b>(10,371)</b>	<b>(10,005)</b>	(366)
Profit for the financial year	<b>887</b>	<b>887</b>	-

**Turnover (Note 4)**

	<b>2019 Restated £000</b>	<b>2019 Original £000</b>	<i>Variance £000</i>
Council tax recovery	<b>11,344</b>	<b>11,344</b>	-
Other debt recovery and enforcement	<b>972</b>	<b>972</b>	-
Disbursement income	<b>366</b>	-	366
	<b>12,682</b>	<b>12,316</b>	366

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**3. Judgements in applying accounting policies 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.

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.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Council tax recovery	<b>3,731</b>	<b>11,344</b>
Other debt recovery and enforcement	-	972
Disbursement Income	<b>361</b>	<b>366</b>
	<b>4,092</b>	<b>12,682</b>

All turnover arose within the United Kingdom.

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**5. Operating profit**

The operating profit is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	111	110
Amortisation of intangible assets	12	12
Other operating lease rentals - Land and buildings	208	202
Other operating lease - Motor Vehicles	-	64
	<u>          </u>	<u>          </u>

**6. Auditors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	14	19
	<u>          </u>	<u>          </u>

Audit fees are borne by another group company. No other fees were paid to the auditor for non-audit services, which is the same as the prior year.

**7. Employees**

Staff costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	-	1,168
Social security costs	-	93
Cost of defined contribution scheme	-	16
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
	-	1,277
	<u>          </u>	<u>          </u>

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

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

	<b>2020 No.</b>	<b>2019 No.</b>
Operational	-	62
Administration	-	4
	<u>-</u>	<u>66</u>
	<u>-</u>	<u>66</u>

During the year employees were transferred to another group company.

**8. Directors remunerations**

Remuneration of the Company's directors for the current and prior years was borne by other group undertakings.

**9. Interest receivable**

	<b>2020 £000</b>	<b>2019 £000</b>
Other interest receivable	3	-
	<u>3</u>	<u>-</u>
	<u>3</u>	<u>-</u>

**10. Interest payable and similar expenses**

	<b>2020 £000</b>	<b>2019 £000</b>
Bank interest payable	76	33
	<u>76</u>	<u>33</u>
	<u>76</u>	<u>33</u>

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**11. Taxation**

	2020 £000	2019 £000
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6)	(6)
Changes to tax rates	(3)	-
Adjustment in respect of previous periods	2	(2)
<b>Total deferred tax</b>	(7)	(8)
<b>Taxation on loss on ordinary activities</b>	(7)	(8)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	333	878
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	63	167
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4	6
Adjustments to tax charge in respect of prior periods	2	(2)
Tax rate changes	(3)	-
Group relief	(52)	(179)
Balancing Figure	(21)	-
<b>Total tax charge for the year</b>	(7)	(8)

**Factors that may affect future tax charges**

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax from 19% to 17%. From 1 April 2020, it was confirmed the corporation tax rate will remain at 19% and deferred taxes at the balance sheet have been calculated based on this rate.

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**12. Intangible assets**

	<b>Computer software £000</b>
<b>Cost</b>	
At 1 June 2019	226
Additions	4
At 31 May 2020	<u>230</u>
<b>Amortisation</b>	
At 1 June 2019	179
Charge for the year on owned assets	12
At 31 May 2020	<u>191</u>
<b>Net book value</b>	
At 31 May 2020	<u><u>39</u></u>
At 31 May 2019	<u><u>47</u></u>

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**13. Tangible fixed assets**

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 June 2019	257	146	865	1,268
At 31 May 2020	257	146	865	1,268
<b>Depreciation</b>				
At 1 June 2019	177	121	696	994
Charge for the year on owned assets	20	7	84	111
At 31 May 2020	197	128	780	1,105
<b>Net book value</b>				
At 31 May 2020	60	18	85	163
At 31 May 2019	80	25	169	274

**14. Debtors**

	2020 £000	2019 £000
<b>Due after more than one year</b>		
Deferred tax asset	32	25
	32	25
<b>Due within one year</b>		
Trade debtors	268	778
Amounts owed by group undertakings	25,609	37,330
Other debtors	6	7
Prepayments and accrued income	243	1,241
	26,158	39,381

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

---

**ROSSENDALES LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**15. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	167	135
Amounts owed to group undertakings	28,050	20,849
Other taxation and social security	214	425
Other creditors	-	158
Accruals and deferred income	107	609
	<b>28,538</b>	<b>22,176</b>

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

**16. Deferred taxation**

	<b>2020</b>
	<b>£000</b>
At beginning of year	25
Charged to profit or loss	7
<b>At end of year</b>	<b>32</b>

The deferred tax asset is made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	32	23
Short term timing differences	-	2
	<b>32</b>	<b>25</b>

The deferred tax debtor is recoverable within less than 12 months.

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**17. Share capital**

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
1,185 (2019 - 1,185) Ordinary class B shares of £1.00 each	1	1
1 (2019 - 1) Ordinary class C share of £1.00	-	-
1 (2019 - 1) Ordinary class D share of £1.00	-	-
	<hr/> 1	<hr/> 1

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.

**Capital redemption reserve**

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

**Profit and loss account**

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

In the current year a loan reorganisation was undertaken in order to simplify the intercompany loan position within Marston Corporate Limited and its subsidiaries.

The loan rationalisation impacts were taken directly to Reserves.

**18. Pension commitments**

The Company operated a defined contribution pension scheme when it had employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £nil (2019 - £16,000). Contributions totalling £nil (2019 - £nil) were payable to the fund at the balance sheet date.

---

**ROSSENDALES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**


---

**19. Commitments under operating leases**

At 31 May 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	-	201
Later than 1 year and not later than 5 years	-	219
	<u>-</u>	<u>420</u>

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

**20. Post balance sheet events**

There have been no significant events affecting the company since the year end.

**21. 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 2020, Free Flow Topco Limited. Consolidated accounts are available from Embassy House, 60 Church Street, Birmingham, B3 20J.