
ROSSENDALES LIMITED

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

THURSDAY



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22/02/2024
COMPANIES HOUSE

ROSSENDALES LIMITED

COMPANY INFORMATION

Directors	M Johnson (appointed 4 August 2023) M J Corcoran (resigned 15 September 2023) S J Callaghan (resigned 4 August 2023)
Company secretary	Squire Patton Boggs Secretarial Services Limited
Registered number	01501584
Registered office	Rutland House 8th Floor 148 Edmund Street Birmingham B3 2JR
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Squire Patton Boggs (UK) LLP 6 Wellington Place Leeds LS1 4AP Travers Smith LLP 10 Snow Hill London EC1A 2AL

ROSSENDALES LIMITED

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**BALANCE SHEET
AS AT 31 MAY 2023**

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	6	1	2
Tangible assets	7	-	31
		<u>1</u>	<u>33</u>
Current assets			
Debtors	8	28,858	39,791
Bank and cash balances		59	96
		<u>28,917</u>	<u>39,887</u>
Creditors: amounts falling due within one year	9	(30,237)	(41,389)
Net current liabilities		(1,320)	(1,502)
Total assets less current liabilities		(1,319)	(1,469)
Net liabilities		<u>(1,319)</u>	<u>(1,469)</u>
Capital and reserves			
Called up share capital		1	1
Capital redemption reserve	11	167	167
Profit and loss account	11	(1,487)	(1,637)
		<u>(1,319)</u>	<u>(1,469)</u>

ROSSENDALES LIMITED
REGISTERED NUMBER: 01501584

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2023

For the year ending 31 May 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the Statement of Comprehensive Income in accordance with provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board on 20 February 2024 and signed on its behalf by:



M Johnson
Director

The notes on pages 3 to 13 form part of these financial statements.

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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

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 Section 1A of 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.

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 2023 and these financial statements may be obtained from 12th Floor One America Square, London, United Kingdom, EC3N 2LS.

The following principal accounting policies have been applied:

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.3 Going concern

The Company forms part of a group of companies which are consolidated into the ultimate parent undertaking, Free Flow Topco Limited.

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation for these financial statements, the Board has assessed the Group and Company's ability to continue as a going concern for a period of twelve months from the date of approval of these financial statements. This assessment included base forecasts, which were subsequently sensitised for plausible downside scenarios, and then compared with available cash and other covenant requirements as applicable.

The base level forecast, reviewed and approved by the Board, was produced through to February 2025, and incorporates a range of assumptions applicable to the individual operating business units. The ability to accurately forecast future business performance varies across business units. Contractually based revenues, which cover our largest business units, are only significantly impacted by contractual changes usually known at least up to 12 months in advance. Other business units, principally Enforcement, Commercial Debt and Traffic Technology, have more variability due to the impact of volumetric changes such as caseload volumes, and these were most impacted by Covid-19 restrictions. In previous periods, our forecasts had to make high level assumptions on the return to pre-pandemic levels of business, which had inherently higher levels of uncertainty. As we move further from the pandemic era and have more trading experience in the post-pandemic environment, we are able to forecast with increased confidence in our assumptions.

Our base forecast assumes that the period to February 2025 will see revenues return to the levels seen pre-pandemic, which is supported by our experiences in the 2023 calendar year to date. The forecasts also assume a level of increased operating costs. Although in the current economic environment forecasting future costs includes an elevated level of uncertainty, we are seeing more stabilisation in our main cost drivers as inflation has reduced in the second half of 2023, and supply side pressures associated with this have eased. The Group is also well advanced with delivering procurement and resource cost savings through a comprehensive cost review that mitigate these impacts. The Group to which the Company belongs has also taken measures to limit its exposure to the interest rate risk on its borrowings by entering into an interest rate hedge that largely caps the maximum cash outflow were interest rates to rise further over the next 12 months. The investors have provided the ultimate parent undertaking, Free Flow Topco Limited, and its subsidiaries with letters of support which confirm that they are committed to provide financial and operational resources to the Company, were these to be required, for a period up to 18 months from the signing of the financial statements.

The Board have additionally considered plausible downside scenarios in a sensitised version, and their impact on the forecast covering the same time period. The approach taken has been to determine specific cash and EBITDA drivers across the business units and model the impact of plausible deterioration of these over the forecast period, along with the impact of mitigations where these are wholly in the control of the business.

Both the base level and sensitised forecasts demonstrate that the Group will remain in compliance with cash requirements and EBITDA covenants in the assessment period to February 2025. Therefore, with the improving business stability and the Board's increased confidence in its ability to forecast, the Directors have confidence that the headroom available against any further potential downside identified in our modelling is adequate to meet the requirements of our going concern assessment.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income 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.

2.8 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
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2.9 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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

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.

2.10 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.

2.11 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.

2.12 Creditors

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

2.13 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.13 Financial instruments (continued)

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.

2.14 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.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £NIL).

4. Directors remunerations

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

5. Taxation

	2023 £000	2022 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	2	-
Total deferred tax	2	-
Tax charge on loss on ordinary activities	2	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 20% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	152	158
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2022 - 19%)	30	30
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	7
Group relief	(337)	(156)
Transfer pricing adjustments	309	119
Total tax charge for the year	2	-

Factors that may affect future tax charges

At 1 April 2023, the corporation tax rate increased to 25%.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

6. Intangible assets

	Computer software £000
Cost	
At 1 June 2022	230
Disposals	(226)
At 31 May 2023	<u>4</u>
Amortisation	
At 1 June 2022	228
Charge for the year on owned assets	1
On disposals	(226)
At 31 May 2023	<u>3</u>
Net book value	
At 31 May 2023	<u><u>1</u></u>
At 31 May 2022	<u><u>2</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

7. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
At 1 June 2022	257	146	865	1,268
Disposals	(257)	(146)	(865)	(1,268)
At 31 May 2023	-	-	-	-
At 1 June 2022	234	138	865	1,237
Charge for the year on owned assets	23	8	-	31
Disposals	(257)	(146)	(865)	(1,268)
At 31 May 2023	-	-	-	-
Net book value				
At 31 May 2023	-	-	-	-
At 31 May 2022	23	8	-	31

8. Debtors

	2023 £000	2022 £000
Due after more than one year		
Deferred tax asset	-	49
	-	49
Due within one year		
Trade debtors	50	47
Amounts owed by group undertakings	28,687	39,644
Other debtors	3	27
Prepayments and accrued income	71	24
Deferred taxation	47	-
	28,858	39,791

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

9. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Amounts owed to group undertakings	29,994	41,112
Other taxation and social security	64	64
Accruals and deferred income	179	213
	<u>30,237</u>	<u>41,389</u>

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

10. Deferred taxation

	2023 £000
At beginning of year	49
Charged to profit or loss	(2)
At end of year	<u>47</u>

The deferred tax asset is made up as follows:

	2023 £000	2022 £000
Fixed asset timing differences	47	49
	<u>47</u>	<u>49</u>

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

11. Reserves

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

12. Contingent liabilities

Free Flow Bidco Limited holds both unitranche and RCF loans to which the Company is a cross guarantor, along with other trading subsidiaries of Free Flow Bidco Limited. The financial guarantee is secured by way of a charge covering all of the entity's assets.

13. 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 2023, Free Flow Topco Limited. Consolidated accounts are available from 12th Floor One America Square, London, United Kingdom, EC3N 2LS.