

1501584

ROSSENDALE CB LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 1997



ROSSENDALE CB LIMITED

31 JANUARY 1997

CONTENTS	PAGE
Company Information	1
Report of the Directors	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7 - 16

ROSSENDALE CB LIMITED

COMPANY INFORMATION

DIRECTORS: C Adams (Chairman)
M Coatman
G Smith

SECRETARY: G Smith

REGISTERED OFFICE: Hardman Mill
New Hall Hey Road
Rawtenstall
Rossendale
Lancashire
BB4 6HH

AUDITORS: Pierce
Chartered Accountants
Thompson House
4-6 Richmond Terrace
Blackburn
Lancashire
BB1 7AU

BANKERS: Barclays Bank plc
36 Bank Street
Rawtenstall
Rossendale
Lancashire
BB4 7QW

COMPANY NUMBER: 1501584

DATE OF INCORPORATION: 12 June 1980 (in England)

ROSSENDALE CB LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 January 1997.

ACTIVITIES

The principal activity of the company during the year was that of certificated bailiffs.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests, including family interests, in the shares of the company were as follows:

	£1 Ordinary Class A Shares		£1 Ordinary Class B Shares	
	31 January 1997	31 January 1996	31 January 1997	31 January 1996
	Number	Number	Number	Number
C Adams	8,309	8,309	1,187	1,187
M Coatman	-	-	1,187	1,187
G Smith	-	-	1,187	1,187

In accordance with Section 73 of the Companies Act 1985, Mr M Coatman retires by rotation, and being eligible, offers himself for re-election.

RESULTS AND DIVIDENDS

As a consequence of past undistributed profits and the profit for the year, dividends amounting to £84.246 per Class B share were paid.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ROSSENDALE CB LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

EQUAL OPPORTUNITIES

The company is committed to achieving equality in all of its business dealings, including employment. As such the company's policy is to conduct its affairs on an equal opportunity basis.

CLOSE COMPANY STATUS

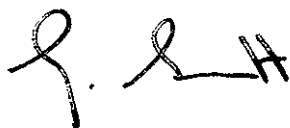
In the opinion of the directors the company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution to re-appoint Messrs Pierce, Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

This report was approved by the Board of Directors on 27 March 1997.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'G. Smith', written in a cursive style.

G Smith
Secretary



PIERCE

CHARTERED ACCOUNTANTS

REPORT OF THE AUDITORS TO THE MEMBERS OF

ROSSENDALE CB LIMITED

We have audited the financial statements on pages 4 to 16 which have been prepared under the accounting policies on pages 7 and 8.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PIERCE
Registered Auditors
and Chartered Accountants

4 April 1997

ROSSENDALE CB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 1997

	NOTES	1997 £	1996 £
TURNOVER	2	2,567,049	3,246,465
OPERATING CHARGES	3	(2,536,921)	(2,860,011)
		30,128	386,454
OTHER OPERATING INCOME	5	<u>69,644</u>	<u>86,351</u>
OPERATING PROFIT		99,772	472,805
INTEREST PAYABLE	6	(10,416)	(19,067)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		89,356	453,738
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	7	(27,428)	(127,951)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		61,928	325,787
DIVIDENDS	8	(300,000)	(216,010)
RETAINED (LOSS)/PROFIT FOR THE YEAR		(238,072)	109,777
RETAINED PROFITS BROUGHT FORWARD		<u>638,013</u>	<u>528,236</u>
RETAINED PROFITS CARRIED FORWARD	17	<u>399,941</u>	<u>638,013</u>

There were no recognised gains or losses other than those included in the Profit and Loss Account.

The notes on pages 7 to 16 form part of these financial statements.

ROSSENDALE CB LIMITED

BALANCE SHEET AS AT 31 JANUARY 1997

	NOTES	1997 £	1996 £
FIXED ASSETS			
Tangible Assets	9	170,025	264,584
Investments	10	<u>52,507</u>	<u>35,586</u>
		222,532	300,170
CURRENT ASSETS			
Debtors	11	333,484	375,409
Cash at Bank and in Hand		<u>1,141,699</u>	<u>1,669,909</u>
		1,475,183	2,045,318
CREDITORS: Amounts due within one year	12	<u>(1,189,921)</u>	<u>(1,540,046)</u>
NET CURRENT ASSETS		285,262	505,272
TOTAL ASSETS less CURRENT LIABILITIES		507,794	805,442
CREDITORS: Amounts due after one year	13	(94,664)	(154,240)
PROVISION for liabilities and charges	14	<u>-</u>	<u>-</u>
NET ASSETS		413,130	651,202
CAPITAL AND RESERVES			
Called up Share Capital	15	11,870	11,870
Capital Redemption Reserve	16	1,319	1,319
Profit and Loss Account	17	<u>399,941</u>	<u>638,013</u>
SHAREHOLDERS' FUNDS	18	413,130	651,202

Approved by the Board of Directors on 27 March 1997 and signed on its behalf.



 M COATMAN - DIRECTOR

The notes on pages 7 to 16 form part of these financial statements.

ROSSENDALE CB LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 1997

	NOTES	1997 £	1996 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	23	(51,280)	750,904
SERVICING OF FINANCE			
Interest Paid		(10,416)	(19,067)
Interest Received		69,051	86,351
Dividend Paid		(300,000)	(216,010)
		(241,365)	(148,726)
TAXATION			
Corporation Tax Paid		(145,723)	(102,622)
INVESTING ACTIVITIES			
Acquisition of Tangible Fixed Assets		(13,194)	(275,785)
Sale of Tangible Fixed Assets		255	96,385
Return on Investments		593	-
Acquisition of Investments		(16,921)	(35,586)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(29,267)	(214,986)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(467,635)	284,570
FINANCING			
Hire Purchase Advances		-	109,513
Capital Payments of H.P. Instalments		(60,575)	(100,183)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(60,575)	9,330
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	23	(528,210)	293,900

The notes on pages 7 to 16 form part of these financial statements.

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1) ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing. The accounting policies adopted have been used consistently in dealing with items considered material in relation to the company's financial statements.

Depreciation

Depreciation is provided on the following tangible fixed assets at rates considered appropriate to write down the cost of each asset to its estimated residual value over its expected useful life.

	% Rate per Annum
Office Equipment	15% straight line
Tenants Improvements	10% straight line
Motor Vehicles	25% straight line
Computer Software/Hardware	33% straight line

Work in Progress

Work in Progress is valued on the basis of the estimated value of fees and commissions earned but not recorded in the financial statements at the year end.

Debtors

Debtors are shown in the Balance Sheet after known bad debts have been written off and after the deduction of specific provision for debts not considered fully collectable.

Amounts Owed to Clients

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

Deferred Taxation

Provision is made for deferred taxation arising from the allocation of items to different periods for taxation and for accounting purposes. The provision is established in full at the rate of Corporation Tax anticipated to be in force at the time when the liability will crystallise.

Hire Purchase Commitments

Assets obtained under hire purchase agreements have been included in the Balance Sheet and depreciated in accordance with the company's accounting policy. Interest under these agreements is charged to the Profit and Loss Account over the duration of the agreement in equal monthly instalments.

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1) ACCOUNTING POLICIES (Continued)

Finance Lease Commitments

Assets obtained under finance lease agreements have been included in the Balance Sheet and depreciated in accordance with the company's accounting policy. Finance charges under these agreements are charged to the Profit and Loss Account over the duration of the agreement using the exact method.

Post Balance Sheet Events

Events relating to the year ended 31 January 1997 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the financial statements to the extent required by Statement of Standard Accounting Practice No 17.

2) TURNOVER

Turnover represents the invoiced value of services supplied to third parties, excluding value added tax and is generated in the United Kingdom only.

	1997 £	1996 £
Bailiff and Distraint Income	2,562,842	3,238,412
Investigation Income	<u>4,207</u>	<u>8,053</u>
	2,567,049	3,246,465
	<u><u> </u></u>	<u><u> </u></u>

3) OPERATING CHARGES

Depreciation	107,753	125,215
(Profit)/Loss on Disposal of Fixed Assets	(255)	342
Profit on Sale of Vehicles	-	(17,834)
Equipment Hire	2,114	4,973
Auditors' Remuneration	7,000	8,000
Bad Debt Provision	1,036	972
Other Costs	<u>2,419,273</u>	<u>2,738,343</u>
	2,536,921	2,860,011
	<u><u> </u></u>	<u><u> </u></u>

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4A) DIRECTORS' REMUNERATION

	1997	1996
	£	£
Emoluments of the Chairman (excluding Pension Contributions)	108,210	99,275
	<u> </u>	<u> </u>
Emoluments of the Other Directors (including Pension Contributions and Assessable Benefits)	160,077	133,970
	<u> </u>	<u> </u>

The emoluments of the other directors (excluding pension contributions) fell within the ranges:

From	To	Number	Number
£50,001	£55,000	-	1
£60,001	£65,000	1	1
£70,001	£75,000	1	-
		<u> </u>	<u> </u>

4B) PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the year was:

	1997	1996
	Number	Number
Management and Administration	65	68
	<u> </u>	<u> </u>

The aggregate payroll costs were:

	£	£
Wages and Salaries	771,563	770,307
Social Security Costs	64,051	62,470
Pension Contributions	<u>76,293</u>	<u>56,091</u>
	911,907	888,868
	<u> </u>	<u> </u>

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5) OTHER OPERATING INCOME

	1997	1996
	£	£
Gross Bank Interest Received	69,051	86,351
Return on Investments	<u>593</u>	<u>-</u>
	69,644	86,351
	<u><u> </u></u>	<u><u> </u></u>

6) INTEREST PAYABLE

Finance Lease Charges	9,220	15,611
Hire Purchase Interest	<u>1,196</u>	<u>3,456</u>
	10,416	19,067
	<u><u> </u></u>	<u><u> </u></u>

7) TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Provision for Corporation Tax based upon Results for the Year	28,497	124,726
Underprovision in Prior Year	-	(149)
Movement in Deferred Taxation Provision (Note 11)	<u>(1,069)</u>	<u>3,374</u>
	27,428	127,951
	<u><u> </u></u>	<u><u> </u></u>

8) DIVIDENDS

Dividends Paid during the Year	300,000	216,010
	<u><u> </u></u>	<u><u> </u></u>

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9) FIXED ASSETS
Tangible Assets

	Office Equip't £	Computer Software £	Vehicles £	Tenants Imp'ments £	Total £
Cost					
At 1 February 1996	519,785	88,338	172,115	29,146	809,384
Additions	-	-	13,194	-	13,194
Disposals	(138,991)	(19,465)	(10,340)	-	(168,796)
At 31 January 1997	380,794	68,873	174,969	29,146	653,782
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 February 1996	389,422	84,838	54,345	16,195	544,800
Charge for the Year	58,782	3,500	42,555	2,916	107,753
Disposals	(138,991)	(19,465)	(10,340)	-	(168,796)
At 31 January 1997	309,213	68,873	86,560	19,111	483,757
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Values					
At 31 January 1997	71,581	-	88,409	10,035	170,025
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 January 1996	130,363	3,500	117,770	12,951	264,584
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Fixed Assets includes the following amounts in respect of assets held under finance lease or hire purchase contracts:

	Office Equipment £	Computer Software £
Cost at 31 January 1997	148,188	8,137
Depreciation to Date	<u>114,188</u>	<u>8,137</u>
Net Book Value at 31 January 1997	34,000	-
	<u> </u>	<u> </u>
Depreciation Charge for the Year	33,000	-
	<u> </u>	<u> </u>

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10) INVESTMENTS

	1997 £	1996 £
At Cost		
Shares in Quoted Companies	16,921	-
Property - 80 Tilehurst Court, Salford	<u>35,586</u>	<u>35,586</u>
	52,507	35,586
	<u> </u>	<u> </u>

11) DEBTORS

Trade Debtors	130,094	167,430
Work in Progress	42,226	50,027
Advance Corporation Tax Recoverable	75,000	54,003
Other Debtors and Prepayments	62,939	81,793
Deferred Tax Reserve	<u>23,225</u>	<u>22,156</u>
	333,484	375,409
	<u> </u>	<u> </u>

Included in debtors is a deferred tax reserve amounting to £23,225 (1996 - £22,156). This has arisen due to accelerated depreciation charges in excess of the corresponding capital allowances amount for taxation purposes.

The reserve is not expected to reverse within the next 12 months.

12) CREDITORS: Amounts due within one year

Trade Creditors	21,385	61,494
Amounts Owed to Clients	858,064	1,053,527
Directors' Loans	-	53
Other Taxes & Social Security Costs	159,321	156,742
Finance Lease Creditors (Secured)	54,098	54,098
Hire Purchase Creditors (Secured)	3,042	4,041
Corporation Tax Payable (1 November 1997)	28,497	124,726
Other Creditors & Accruals	<u>65,514</u>	<u>85,365</u>
	1,189,921	1,540,046
	<u> </u>	<u> </u>

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13) CREDITORS: Amounts due after one year

	1997 £	1996 £
Hire Purchase (Secured)	-	5,471
Finance Leases (Secured)	<u>94,664</u>	<u>148,769</u>
	94,664	154,240
	<u> </u>	<u> </u>
Debt due after more than one year:		
Repayable between: 1 - 2 years	54,098	59,113
2 - 5 years	<u>40,566</u>	<u>95,127</u>
	94,664	154,240
	<u> </u>	<u> </u>

14) DEFERRED TAXATION

A reserve has been made in the financial statements (Note 11) for Corporation Tax allocated to different accounting periods, as depreciation has been claimed in advance of Capital Allowances.

15) SHARE CAPITAL

Authorised:

Ordinary Class A Shares	8,309	8,309
Ordinary Class B Shares	<u>11,691</u>	<u>11,691</u>
	20,000	20,000
	<u> </u>	<u> </u>

Issued and Fully Paid:

Ordinary Class A Shares	8,309	8,309
Ordinary Class B Shares	<u>3,561</u>	<u>3,561</u>
	11,870	11,870
	<u> </u>	<u> </u>

16) CAPITAL REDEMPTION RESERVE

Purchase of Own Shares:

1,319 Ordinary £1 Shares	1,319	1,319
	<u> </u>	<u> </u>

ROSSENDALE CB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****17) RESERVES**

	£
At 1 February 1996	638,013
Loss for the Year	<u>(238,072)</u>
At 31 January 1997	399,941
	<u><u> </u></u>

18) RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the Year	61,928	325,787
Dividends	<u>(300,000)</u>	<u>(216,010)</u>
	(238,072)	109,777
Shareholders' Funds at 31 January 1996	<u>651,202</u>	<u>541,425</u>
Shareholders' Funds at 31 January 1997	<u>413,130</u>	<u>651,202</u>

19) CAPITAL COMMITMENTS

At the financial year end there were no capital commitments (1996 - Nil).

20) PENSION CONTRIBUTIONS

The company has retirement benefits pension plans which provide for retirement benefits for certain senior employees and directors. The cost of providing the benefits is charged against profit on an annual basis. The scheme is a defined contributions scheme.

21) CONTINGENT LIABILITIES

The company has entered into a lease of office premises at Hardman Mill, New Hall Hey Road, Rawtenstall up to 7 June 2012.

The annual rental has been agreed at £39,000 per annum.

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22) LEASE TRANSACTIONS

The company have obligations under finance leases in respect of office equipment. As stated in Note 1 to the financial statements, the cost of such assets and further obligations under the leases are not embraced within the Balance Sheet.

At the year end the obligations under such leases were as follows:

	1997	1996
	£	£
Payable within 12 months	1,964	1,964
	<u> </u>	<u> </u>
Payable within 1 to 5 years	3,928	5,892
	<u> </u>	<u> </u>

23) NOTES TO CASH FLOW STATEMENT

a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

Operating Profit	30,128	386,454
Depreciation	107,753	125,215
Profit on Sale of Tangible Fixed Assets	(255)	(17,492)
Decrease in Debtors	63,991	95,682
(Decrease)/Increase in Creditors	(252,897)	161,045
Net Cash (Outflow)/Inflow from Operating Activities	(51,280)	750,904
	<u> </u>	<u> </u>

b) Analysis of Changes in Cash and Cash Equivalents during the Year

Balance at 1 February 1996	1,669,909	1,376,009
Net Cash (Outflow)/Inflow	(528,210)	293,900
Balance at 31 January 1997	1,141,699	1,669,909
	<u> </u>	<u> </u>

c) Analysis of the Balance of Cash and Cash Equivalents as shown in the Balance Sheet

	1997	1996	Change
	£	£	in Year
			£
Cash at Bank and in Hand	1,141,699	1,669,909	(528,210)
	<u> </u>	<u> </u>	<u> </u>

ROSSENDALE CB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24) RELATED PARTY TRANSACTIONS

The company is under the control of the directors, C Adams, M Coatman and G Smith who, together with close family members, own 100% of the issued share capital of the company.

During the year the company made a short term loan to its chairman which was completely repaid within a month. The amount advanced was £102,270 and was interest free.