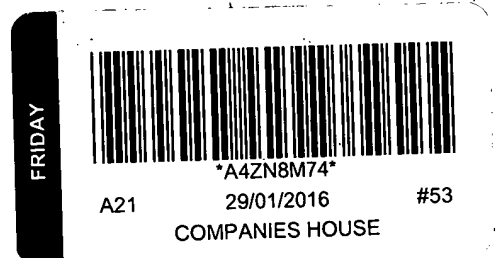


Moorcroft Debt Recovery Limited  
Annual report and financial statements  
for the year ended 31 July 2015

Registered number 1703704



Moorcroft Debt Recovery Limited  
Annual report and financial statements  
for the year ended 31 July 2015

Contents

	<b>Page</b>
Directors and advisors for the year ended 31 July 2015 .....	1
Strategic report for the year ended 31 July 2015 .....	2
Directors' report for the year ended 31 July 2015.....	3
Independent auditors' report to the members of Moorcroft Debt Recovery Limited.....	6
Profit and loss account for the year ended 31 July 2015 .....	8
Balance sheet as at 31 July 2015 .....	9
Accounting policies for the year ended 31 July 2015.....	10
Notes to the financial statements for the year ended 31 July 2015.....	11

# **Moorcroft Debt Recovery Limited**

Registered Number 1703704

## **Directors and advisors for the year ended 31 July 2015**

### **Directors**

N G McRoberts

A J McRoberts

R N McRoberts

A J Martin-McRoberts

### **Company secretary**

A J McRoberts

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

8 Princes Parade

St Nicholas Place

Liverpool

L3 1QJ

### **Solicitors**

Nelson Solicitors Limited

Pennine House

8 Stanford Street

Nottingham

NG1 7BQ

### **Registered office**

Moorcroft House

2 Spring Gardens

Stockport

Cheshire

SK1 4AA

### **Registered number**

1703704

# **Moorcroft Debt Recovery Limited**

**Registered Number 1703704**

## **Strategic report for the year ended 31 July 2015**

The directors present their Strategic Report for the year ended 31 July 2015.

### **Principal activity**

The principal activity of the company during the year was the provision of debt recovery and related services to the credit industry.

### **Review of business and future developments**

The level of business during the year and the financial position at 31 July 2015 was satisfactory. The company is continuing to expand in the provision of debt recovery and related services. As at 31 July 2015 the company had net assets of £11,319,049 (2014: £10,681,346). See page 3 for further details.

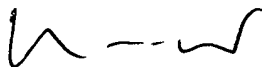
### **Risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to be competition within the market and the additional cost of ensuring ongoing compliance. The directors attempt to mitigate these risks by maintaining close relationships with clients, industry bodies and where appropriate regulators. New risks when identified are recorded centrally and discussed at regular internal Risk Committee meetings. See page 3 for further details.

### **Key performance indicators**

Given the nature of the business, the company's directors are of the opinion that analysis using financial KPIs is not necessary for an understanding of the development, performance or position of the business.

The Strategic Report was approved by the Board of directors on 19 January 2016 and signed by its order by:



**A J McRoberts**  
**Company secretary**

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Directors' report for the year ended 31 July 2015

The directors present their annual report and the audited financial statements of the company for the year ended 31 July 2015.

### Future developments

The company is continuing to expand in the provision of debt recovery and related services. The company expects to continue with its current activities in future periods.

### Results and dividends

The directors recommended the following should be paid by way of dividend:

	2015 £ per share	2015 £	2014 £ per share	2014 £
Interim paid 16 April 2015 (2014: 14 April 2014)	20.00	1,000,000	32.00	1,600,000
Final paid 14 July 2015 (2014: 18 July 2014)	20.00	1,000,000	28.80	1,440,000
Total dividend paid	40.00	2,000,000	60.80	3,040,000

After payment of the dividend, the retained profit for the financial year of £637,703 (2014: £299,999) was transferred to reserves.

### Creditor payment policy

For all trade creditors, it is the company's policy to:

- agree the terms of payment at the start of business with that supplier;
- ensure that suppliers are aware of the terms of payment; and
- pay in accordance with its contractual and other legal obligations.

Trade creditor days for the company for the year ended 31 July 2015 were 13 days (2014: 12 days).

### Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk and interest rate risk.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of directors are implemented by the company's finance department. The department monitors circumstances to determine where it would be appropriate to use financial instruments to manage financial risks.

### Price risk

The company is exposed to minimal price risk as a result of its operations. Therefore, the directors consider that the costs of managing exposure to price risk exceed any potential benefits. The directors will continue to monitor the appropriateness of this policy. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

# **Moorcroft Debt Recovery Limited**

Registered Number 1703704

## **Directors' report for the year ended 31 July 2015 (continued)**

### **Credit risk**

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

### **Interest rate cash flow risk**

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances, all of which earn interest at variable rates. The company does not place cash on short term deposits.

### **Directors**

The directors who held office during the financial year and up to the date of the signing the financial statements are listed on page 1 of these financial statements.

### **Qualifying third party and pension scheme indemnity provisions**

The directors benefited from qualifying third party indemnity provision in place during the year and to the date of this report.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Moorcroft Debt Recovery Limited**

Registered Number 1703704

## **Directors' report for the year ended 31 July 2015 (continued)**

### **Statement of disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

(a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

The Directors' report was approved by the Board of directors on 19 January 2016 and signed on its order by:



**A J McRoberts**  
Company secretary

# **Moorcroft Debt Recovery Limited**

Registered Number 1703704

## **Independent auditors' report to the members of Moorcroft Debt Recovery Limited**

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Moorcroft Debt Recovery Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2015 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.
- 

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 July 2015;
- the Profit and Loss Account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, 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.

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Independent auditors' report to the members of Moorcroft Debt Recovery Limited (continued)

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### Responsibilities for the financial statements and the audit

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#### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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#### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



– Martin Heath (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Liverpool  
19 January 2016

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Profit and loss account for the year ended 31 July 2015

	Note	2015 £	2014 £
Turnover	1	32,824,695	34,120,372
Administrative expenses	2	(29,506,848)	(29,826,551)
<b>Profit on ordinary activities before taxation</b>		<b>3,317,847</b>	<b>4,293,821</b>
Tax on profit on ordinary activities	3	(680,144)	(953,822)
<b>Profit for the financial year</b>	<b>9</b>	<b>2,637,703</b>	<b>3,339,999</b>

The above results relate to continuing operations.

The company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

### Appropriation

	Note	2015 £	2014 £
<b>Profit for the financial year</b>	<b>9</b>	<b>2,637,703</b>	<b>3,339,999</b>
Dividends	4	(2,000,000)	(3,040,000)
<b>Retained profit for the financial year</b>	<b>8</b>	<b>637,703</b>	<b>299,999</b>

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Balance sheet as at 31 July 2015

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors	5	7,447,961	8,499,967
Cash at bank and in hand		12,214,237	11,917,575
		19,662,198	20,417,542
<b>Creditors: amounts falling due within one year</b>	6	<b>(8,343,149)</b>	<b>(9,736,196)</b>
<b>Net current assets</b>		<b>11,319,049</b>	<b>10,681,346</b>
<b>Capital and reserves</b>			
Called up share capital	7	50,000	50,000
Profit and loss account	8	11,269,049	10,631,346
<b>Total shareholders' funds</b>	9	<b>11,319,049</b>	<b>10,681,346</b>

The financial statements on pages 8 to 14 were approved by the Board of directors on 19 January 2016 and were signed on its behalf by:



**N G McRoberts**  
Director

The accounting policies and notes on pages 10 to 14 form part of these financial statements.

# **Moorcroft Debt Recovery Limited**

Registered Number 1703704

## **Accounting policies for the year ended 31 July 2015**

### **Basis of accounting**

The financial statements have been prepared on the going concern basis, in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, are set out below.

The financial statements are prepared in accordance with the historical cost convention.

### **Turnover and administrative expenses**

All turnover arises from the company's principal activity, the provision of debt recovery and related services to the credit industry, and is earned in the UK.

Turnover represents commission received for the recovery of debts and amounts received on the recovery of bought debt. The company recognises gross amounts as collected in turnover. The costs of bought debt are charged to administrative expenses such that profit is recognised when cash collected exceeds the cost of the related bought debt.

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

### **Cash flow statement**

The company is a wholly owned subsidiary company of a group headed by Moorcroft Group Public Limited Company, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement.

### **Current taxation**

Corporation tax payable is provided on taxable profits at the current rate.

### **Future change in applicable accounting standards**

It is the intention of the directors to prepare the financial statements for the year ended 31 July 2016 accounts under the transitional arrangements of the new UK Accounting Standard, FRS102.

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Notes to the financial statements for the year ended 31 July 2015

### 1 Turnover

All turnover arises from the company's principal activity, the provision of debt recovery and related services to the credit industry, and is earned in the UK.

### 2 Administrative expenses

The parent company, Moorcroft Group Public Limited Company, holds all the fixed assets used by the company, pays all wages and salaries, audit fees and a proportion of other operating expenses. These costs are then recharged by means of an annual management charge. The directors did not receive any emoluments for their services to the company (2014: £nil). There are no employees of the company (2014: nil).

The audit fee of the company is borne by Moorcroft Group Public Limited Company, the total audit fee disclosed in those financial statements is £45,000 (2014: £40,600), of which £22,500 (2014:£18,750) is attributable to this company.

### 3 Tax on profit on ordinary activities

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax on profits of the year	680,144	953,822
<b>Total current tax</b>	<b>680,144</b>	<b>953,822</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Total tax on profit on ordinary activities</b>	<b>680,144</b>	<b>953,822</b>

The actual tax charge differs (2014: differs) from the standard rate 20.67% (2014:22.33%) for the reasons set out in the following reconciliation:

	2015 £	2014 £
Profit on ordinary activities before taxation	3,317,847	4,293,821
Tax on profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 20.67% (2014: 22.33%):	685,799	958,810
Other timing differences		
Income not included for tax purposes	(5,508)	(5,053)
Tax at marginal rates	(147)	65
<b>Current tax charge</b>	<b>680,144</b>	<b>953,822</b>

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 3 Tax on profit on ordinary activities (continued)

#### Factors affecting current and future tax charges

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

There is no deferred tax recognised or unrecognised (2014: £nil).

### 4 Dividends

	2015 £	2014 £
Interim and final dividends of £40.00 per £1 ordinary share (2014: £60.80 per £1 ordinary share)	2,000,000	3,040,000
The dividends were fully paid in the year.		

### 5 Debtors

	2015 £	2014 £
<b>Amounts falling due within one year</b>		
Trade debtors	6,863,738	7,669,509
Prepayments and accrued income	584,223	830,458
	7,447,961	8,499,967

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

	2015 £	2014 £
Trade creditors and amounts owed to clients	4,334,682	5,774,321
Amounts owed to parent undertaking	3,208,456	1,918,508
Amounts owed to fellow subsidiaries	169,415	178,377
Corporation tax	330,540	253,827
Other taxation and social security	97,370	1,485,522
Accruals and deferred income	202,686	125,641
	8,343,149	9,736,196

Amounts owed to parent undertaking are unsecured, interest free and repayable on demand.

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 7 Called up share capital

	2015 £	2014 £
<b>Authorised</b>		
1,000,000 (2014: 1,000,000) ordinary shares of £1 each	1,000,000	1,000,000
<b>Allotted, and fully paid</b>		
50,000 (2014: 50,000) ordinary shares of £1 each	50,000	50,000

### 8 Profit and loss account

	£
At 1 August 2014	10,631,346
Retained profit for the financial year	637,703
<b>At 31 July 2015</b>	<b>11,269,049</b>

### 9 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	2,637,703	3,339,999
Dividends (note 4)	(2,000,000)	(3,040,000)
<b>Net addition to shareholders' funds</b>	<b>637,703</b>	<b>299,999</b>
Opening shareholders' funds	10,681,346	10,381,347
<b>Closing shareholders' funds</b>	<b>11,319,049</b>	<b>10,681,346</b>

# **Moorcroft Debt Recovery Limited**

Registered Number 1703704

## **Notes to the financial statements for the year ended 31 July 2015 (continued)**

### **10 Ultimate parent company and controlling party**

The directors regard Moorcroft Group Public Limited Company, a company registered in England and Wales, as the immediate and ultimate parent company. According to the register kept by the company, Moorcroft Group Public Limited Company had a 100% interest in the equity capital of Moorcroft Debt Recovery Limited at 31 July 2015. Moorcroft Group Public Limited Company is the smallest and largest group to consolidate the financial statements of the company and their financial statements are available at Moorcroft House, 2 Spring Gardens, Stockport, Cheshire, SK1 4AA.

N G McRoberts is the controlling party of Moorcroft Group Public Limited Company by virtue of his controlling interest in that company's equity capital and therefore the ultimate controlling party of Moorcroft Debt Recovery Limited.

### **11 Related party transactions**

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Moorcroft Group Public Limited Company, whose financial statements are publicly available.