

**MONARCH RECOVERIES LIMITED**

**Report and Financial Statements**

**Year ended 30 June 2013**



# **MONARCH RECOVERIES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# **MONARCH RECOVERIES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

H N Moser  
S P Baker  
G D Beckett  
D A Chaplain (resigned 3 August 2012)  
M R Goldberg

### **SECRETARY**

M J Ridley

### **REGISTERED OFFICE**

Lake View  
Lakeside  
Cheadle  
Cheshire  
SK8 3GW

### **PRINCIPAL BANKERS**

The Royal Bank of Scotland Plc  
Spinningfields  
Manchester  
M3 3AP

### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
PO Box 500  
2 Hardman Street  
Manchester  
M60 2AT

# **MONARCH RECOVERIES LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2013

### **PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS**

The company has not traded in the current year or the preceding year

The directors consider the results for the year to be in line with expectations. The directors expect there to be a significant reduction in turnover arising from interest income on intra Group balances in future years. This is due to the company paying a dividend in the year ended 30 June 2013, therefore reducing the intra Group loan balance.

The company qualifies as small in accordance with the provisions of S382(3) of the Companies Act 2006 and it is therefore exempt from its requirement to prepare an enhanced business review.

### **RESULTS AND DIVIDENDS**

The audited financial statements for the year ended 30 June 2013 are set out on pages 6 to 11. The profit after tax for the year was £1,062,917 (2012: £1,562,651). The income and profits arising in the current year relate to interest income on amounts due from group companies.

The directors do not recommend a final dividend which, together with the interim dividend of £27,765,364 (to the parent company, Jerrold Holdings Limited) paid on 21 June 2013, makes a total of £27,765,364 for the year (2012: £nil).

### **STATEMENT OF GOING CONCERN**

The financial statements are prepared on a basis other than that of a going concern as the company has ceased to trade in the year ended 2013.

The company has sufficient assets to meet its liabilities and will not require any additional funding from its parent company, Jerrold Holdings Limited.

### **DIRECTORS**

The directors of the company are set out on page 1. All directors served throughout the year and subsequently thereafter except as noted on page 1.

### **DIRECTORS INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **AUDIT INFORMATION**

In the case of each of the persons who are directors of the company at the date when this report is approved:

- as far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any audit information and to establish that the company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.


# MONARCH RECOVERIES LIMITED

## DIRECTORS' REPORT (continued)

### AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board



M J Ridley  
Secretary

3 October 2013

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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 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 judgments and accounting estimates that are reasonable and prudent, 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONARCH RECOVERIES LIMITED**

We have audited the financial statements of Monarch Recoveries Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Peter Birch (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom

3 October

2013

# MONARCH RECOVERIES LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 30 June 2013

	Note	2013 £	2012 £
<b>OPERATING PROFIT</b>		2,620	-
Interest receivable and similar income	3	<u>1,390,565</u>	<u>2,101,173</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	1,393,185	2,101,173
Tax on profit on ordinary activities	5	<u>(330,268)</u>	<u>(538,522)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	12	<u><u>1,062,917</u></u>	<u><u>1,562,651</u></u>

All activity has arisen from discontinued operations

There were no recognised gains or losses in either year other than the profit for the year shown above. Accordingly, a separate statement of total recognised gains and losses has not been presented.



# MONARCH RECOVERIES LIMITED

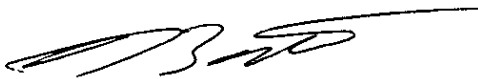
## BALANCE SHEET As at 30 June 2013

	Note	2013 £	2012 £
<b>CURRENT ASSETS</b>			
Debtors			
- due after one year	6	406	27,143,894
Investments	7	-	94,282
Cash at bank and in hand		864,885	80
		<u>865,291</u>	<u>27,238,256</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	-	(535,709)
<b>NET CURRENT ASSETS</b>		<u>865,291</u>	<u>26,702,547</u>
<b>CREDITORS: Amounts falling due more than one year</b>	9	(865,191)	-
<b>NET ASSETS</b>		<u>100</u>	<u>26,702,547</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account	12	-	26,702,447
<b>SHAREHOLDER'S FUNDS</b>	13	<u>100</u>	<u>26,702,547</u>

These financial statements were approved by the Board of Directors on 3 October 2013

Company Registration No 1959967

Signed on behalf of the Board of Directors

  
G D Beckett

Director

  
M R Goldberg

Director

# MONARCH RECOVERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2013

### 1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the current year and prior year.

#### Accounting convention

As outlined in the Directors Report, at the year end the operations of the company were being managed down and have now ceased to trade. Therefore the financial statements have been prepared on a basis other than that of a going concern.

As permitted by FRS 1 (Revised 1996) "Cash flow statements", the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Jerrold Holdings Limited which has produced consolidated financial statements that are publicly available.

#### Taxation

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

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

A net deferred tax asset is regarded as recoverable and therefore recognised 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 from which the future reversal of the underlying timing differences can be deducted. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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 a non-discounted basis.

### 2. STAFF COSTS

The company had no employees and paid no directors' emoluments during either year.

Directors' emoluments are borne by a fellow subsidiary company of Jerrold Holdings Limited, Blemain Finance Limited.

### 3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Interest receivable on intragroup loans	1,390,501	2,101,173
Dividends received	64	-
	<u>1,390,565</u>	<u>2,101,173</u>

# MONARCH RECOVERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2013

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee was borne by another group undertaking

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

	2013 £	2012 £
<b>Current tax</b>		
UK corporation tax	330,158	535,709
Adjustment in relation to prior period	-	551
<b>Total current tax</b>	<u>330,158</u>	<u>536,260</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	92	179
Adjustment in respect of prior years	-	2,083
Effect of changes in tax rates	18	-
<b>Total deferred tax (see note 10)</b>	<u>110</u>	<u>2,262</u>
<b>Total tax on profit on ordinary activities</b>	<u>330,268</u>	<u>538,522</u>

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

	2013 £	2012 £
<b>Profit on ordinary activities before tax</b>	<u>1,393,185</u>	<u>2,101,173</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 23.75% (2012: 25.5%)	330,881	535,857
Effects of		
Income not taxable	(631)	(14)
Capital allowances in excess of depreciation	(92)	(134)
Adjustments to tax charge in respect of previous periods	-	551
<b>Current tax charge for year</b>	<u>330,158</u>	<u>536,260</u>

The main rate of corporation tax reduced from 24% to 23% from 1 April 2013 resulting in a standard rate of corporation tax for the year to 30 June 2013 of 23.75%

### 6. DEBTORS

	2013 £	2012 £
Amounts due after more than one year		
Amounts owed by fellow group undertakings	-	27,143,378
Deferred tax asset (see note 10)	406	516
	<u>406</u>	<u>27,143,894</u>

# MONARCH RECOVERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2013

### 7. CURRENT ASSET INVESTMENTS

	2013 £	2012 £
Investments	-	94,282

Investments of £93,017 were being transferred at cost to a Group company and £1,265 disposed in the year ending 30 June 2013

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Corporation tax	-	535,709

### 9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Amounts owed to group undertakings	865,191	-

	2013 £	2012 £
Borrowings are repayable as follows		
Between one and two years	865,191	-

The terms of the intercompany loan result in the balance not being repayable prior to 31 December 2014

### 10. DEFERRED TAXATION

	£
Balance at 1 July 2012	516
Charge to profit and loss account	(110)
Balance at 30 June 2013	406

The amounts provided comprising a full provision are as follows

	2013 £	2012 £
Capital allowances in advance of depreciation	406	516

### 11. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised, allotted, called-up and fully paid 100 ordinary shares of £1 each	100	100

# MONARCH RECOVERIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2013

### 12. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2012	26,702,447
Retained profit for the financial year	1,062,917
Dividends paid	(27,765,364)
At 30 June 2013	-

### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013 £	2012 £
Opening shareholder's funds	26,702,547	25,139,896
Retained profit for the financial year	1,062,917	1,562,651
Dividends paid	(27,765,364)	-
Closing shareholder's funds	100	26,702,547

### 14. CONTINGENT LIABILITY

As at 30 June 2013 the company's assets were subject to a fixed and floating charge in respect of £204.5m of bank borrowings of the group (2012 £378m)

### 15. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary undertaking of Jerrold Holdings Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with other members of the group headed by Jerrold Holdings Limited

### 16. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Jerrold Holdings Limited, a company incorporated in Great Britain and registered in England and Wales

The largest and smallest group of which Monarch Recoveries Limited is a member, and for which group financial statements are drawn up, is that headed by Jerrold Holdings Limited, whose principal place of business is at Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW

H N Moser, a director of Jerrold Holdings Limited, and members of his close family, control the company as a result of controlling directly or indirectly 70% of the voting rights of Jerrold Holdings Limited