



ARTHURANDERSEN

Monarch Recoveries Limited

Annual report and accounts

For the year ended 30 June 2000

Registered number: 1959967



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COMPANIES HOUSE

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30/04/01

DIRECTORS

H.N. Moser

D.A. Chaplain

M.B. Richards

(resigned 1 September 2000)

C.W. Hacking

(appointed 1 September 2000)

J.E. Smith

(appointed 15 June 2000, resigned 29 January 2001)

G.D. Beckett

(appointed 15 June 2000)

M. Goldberg

(appointed 2 March 2001)

SECRETARY

G.D. Beckett

REGISTERED OFFICE

Bracken House

Charles Street

Manchester

M1 7BD

AUDITORS

Arthur Andersen

Bank House

9 Charlotte Street

Manchester

M1 4EU

BANKERS

Bank of Scotland

19/21 Spring Gardens

Manchester

M2 1FB

Directors' report

For the year ended 30 June 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 30 June 2000.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

Principal activity and business review

The principal activity of the company continues to be that of debt collection. The directors consider the financial position of the company to be satisfactory.

Results and dividend

The results for the period are set out in detail on page 5. The directors do not recommend the payment of a dividend.

Directors and their interests

The directors of the company who served during the year are set out on page 1.

H.N. Moser is a director of the company's parent company, Blemain Group plc and as such, his interest in the share capital of that company is disclosed in its directors' report. None of the other directors have an interest in the share capital of the company or any other disclosures required under Schedule 7 of the Companies Act 1985. No director has, or had any material interest in any contract or agreement entered into by the company during the year.

Directors' report (continued)

Payments to suppliers

The company agrees terms and conditions for its transactions with its suppliers. Payment is then made, subject to the terms and conditions being met by the supplier.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

By order of the Board



G.D. Beckett
Secretary

25 April 2001

To the Shareholders of Monarch Recoveries Limited:

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention, and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the company's state of affairs at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

25 April 2001

Profit and loss account

For the year ended 30 June 2000

	Notes	2000 £	1999 £
Turnover	2	145,956	114,720
Administrative expenses		(40,930)	(36,673)
Operating profit		105,026	78,047
Investment income	3	52,421	40,637
Profit on ordinary activities before taxation	4	157,447	118,684
Tax on profit on ordinary activities	6	(44,705)	(15,627)
Profit for the financial year	12	112,742	103,057

All activity has arisen from continuing operations. The company has no recognised gains or losses other than the profit for the financial year.

A movement in reserves is given in note 12.

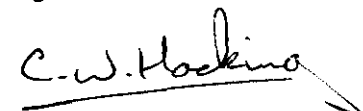
The accompanying notes are an integral part of this profit and loss account.

Balance sheet

30 June 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	7	<u>3,260</u>	<u>4,119</u>
Current assets			
Debtors	8	565,742	553,036
Investments	9	36,108	32,588
Cash at bank and in hand		<u>176,170</u>	<u>36,700</u>
		778,020	622,324
Creditors: Amounts falling due within one year	10	<u>(139,916)</u>	<u>(97,821)</u>
Net current assets		<u>638,104</u>	<u>524,503</u>
Net assets		<u>641,364</u>	<u>528,622</u>
Capital and reserves			
Called-up share capital	11	100	100
Profit and loss account	12	<u>641,264</u>	<u>528,522</u>
Equity shareholders' funds	13	<u>641,364</u>	<u>528,622</u>

Signed on behalf of the Board


C.W. Hacking

H.N. Moser
Directors



25 April 2001

The accompanying notes form an integral part of this balance sheet.

Notes to accounts

30 June 2000

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Turnover

Turnover, which is wholly derived from within the UK, represents debt collection fees, management charges and other income receivable, excluding value added tax.

c) Tangible fixed assets and depreciation

Fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used are:

Fixtures, fittings and equipment - 20% straight-line on cost

d) Investments

Listed investments are stated at market value. Other investments are stated at the lower of cost and estimated net realisable value.

e) Taxation

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

2 Turnover and profit before taxation

Turnover and profit before taxation relate to the principal activity of the company.

3 Investment income

	2000 £	1999 £
Interest receivable and similar income	52,421	40,637

4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2000 £	1999 £
Auditors' remuneration	3,198	3,198
Depreciation and amounts written off tangible fixed assets	1,117	1,482

Notes to accounts (continued)

5 Staff costs

The company had no employees and paid no directors' emoluments during the year or prior year.

6 Tax on profit on ordinary activities

	2000 £	1999 £
Corporation tax	47,234	38,869
Adjustment in respect of prior year corporation tax	(2,529)	(23,242)
	<u>44,705</u>	<u>15,627</u>

There was no unprovided deferred tax at the year end (1999 – £Nil).

7 Tangible fixed assets

	Fixtures fittings and equipment £
Cost	
Beginning of year	29,416
Additions	258
End of year	<u>29,674</u>
Depreciation	
Beginning of year	25,297
Charge	1,117
End of year	<u>26,414</u>
Net book value	
At end of year	<u>3,260</u>
At beginning of year	<u>4,119</u>

8 Debtors

Amounts falling due within one year:

	2000 £	1999 £
Amount owed by group undertakings	<u>565,742</u>	<u>553,036</u>

Notes to accounts (continued)

9 Current asset investments

	2000 £	1999 £
Listed investments at market value	420	420
Other investments at cost	35,688	32,168
	<u>36,108</u>	<u>32,588</u>

10 Creditors: Amounts falling due within one year

	2000 £	1999 £
Amounts owed to group undertakings	15,000	15,000
Corporation tax	83,574	42,184
Other taxation and social security	7,719	6,747
Other creditors	30,037	30,692
Accruals and deferred income	3,586	3,198
	<u>139,916</u>	<u>97,821</u>

11 Share capital

	2000 £	1999 £
<i>Authorised, allotted, called-up and fully paid</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12 Profit and loss account

	2000 £	1999 £
Profit for the financial year	112,742	103,057
Beginning of year	<u>528,522</u>	<u>425,465</u>
End of year	<u>641,264</u>	<u>528,522</u>

13 Reconciliation of movement in equity shareholders' funds

	2000 £	1999 £
Profit for the financial year	112,742	103,057
Opening shareholders funds	<u>528,622</u>	<u>425,565</u>
Closing shareholders funds	<u>641,364</u>	<u>528,622</u>

Notes to accounts (continued)

14 Contingent liability

The company's assets are subject to a fixed and floating charge in respect of £50 million of bank borrowings of the group (1999 - £36 million).

15 Cash flow statement

As permitted by Financial Reporting Standard No. 1 (Revised), the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Blemain Group plc which has produced consolidated accounts that are publicly available.

16 Related party transactions

As a subsidiary undertaking of Blemain Group plc, 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 Blemain Group plc.

17 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Blemain Group plc, a company incorporated in Great Britain registered in England and Wales.

The largest and smallest group of which Monarch Recoveries Limited is a member and for which group accounts are drawn up is that headed by Blemain Group plc, whose principal place of business is at Bracken House, Charles Street, Manchester, M1 7BD.