

Company Registration No. 04618038

Marlin Financial Services Limited

Annual Report and Financial Statements

31 December 2011

THURSDAY



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Marlin Financial Services Limited

Annual report and financial statements 2011

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Marlin Financial Services Limited

Officers and professional advisers

Directors

M Dunphy

D J Page

J S Telford (appointed 5 May 2011)

Secretary

J S Telford (appointed 6 April 2011)

T Khan (resigned 6 April 2011)

Registered Office

Marlin House
16-22 Grafton Road
Worthing
West Sussex
BN11 1QP

Bankers

Barclays Bank Plc
Chapel Road
Worthing
West Sussex
BN11 1EY

Independent auditor

Deloitte LLP
Chartered Accountants
Crawley
United Kingdom
RH10 1DL

Marlin Financial Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Principal activity

The principal activity of the company is that of debt recovery

Directors

The directors who served throughout the year were as follows

M Dunphy

D J Page

J S Telford (appointed 5 May 2011)

Independent auditor and statement of provision of information to the independent auditor

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

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



J S Telford
Director

21 June 2012

Marlin Financial Services Limited

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 Marlin Financial Services Limited

We have audited the financial statements of Marlin Financial Services Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

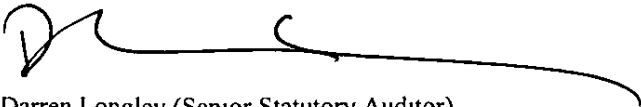
Opinion on other matter prescribed by the Companies Act 2006

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 prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report.



Darren Longley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

25th June 2012

Marlin Financial Services Limited

Profit and loss account Year ended 31 December 2011

	Note	2011 £	2010 £
Turnover		4,406,675	5,461,518
Cost of sales		(1,694,897)	(981,587)
Gross profit		2,711,778	4,479,931
Administrative expenses		(5,938,261)	(3,735,264)
Operating (loss)/profit		(3,226,483)	744,667
Other interest receivable and similar income		-	68
Interest payable and similar charges		(13,798)	(6,312)
(Loss)/profit on ordinary activities before taxation	2	(3,240,281)	738,423
Tax on (loss)/profit on ordinary activities	3	83,054	(145,270)
(Loss)/profit for the financial year	10	(3,157,227)	593,153

All the results for the current and prior years derive from continuing operations

There are no further recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account and as a result no statement of total recognised gains and losses is given

Marlin Financial Services Limited

Balance sheet 31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	4	170,184	145,677
Current assets			
Debtors	5	3,692,444	4,241,130
Cash at bank and in hand - unrestricted	6	1,014	259,220
- restricted	6	1,143,175	4,820,978
		1,144,189	5,080,198
		4,836,633	9,321,328
Creditors amounts falling due within one year	7	(5,995,721)	(7,329,406)
Net current (liabilities)/assets		(1,159,088)	1,991,922
Total assets less current liabilities		(988,904)	2,137,599
Provision for liabilities	8	(30,724)	-
Net (liabilities)/ assets		(1,019,628)	2,137,599
Capital and reserves			
Called up share capital	9	1,000	1,000
Share premium		249,600	249,600
Profit and loss account	10	(1,270,228)	1,886,999
Total shareholders' (deficit)/funds		(1,019,628)	2,137,599

These accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements of Marlin Financial Services Limited, registered number 04618038 were approved by the board of directors and authorised for issue on 21 June, 2012

Signed on behalf of the Board of Directors

J. S. Telford

J S Telford
Director

Marlin Financial Services Limited

Notes to the accounts For the year ended 31 December 2011

1. Accounting policies

The principal accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial year

Basis of preparation

The financial statements are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Accounting convention

The financial statements are prepared under the historical cost convention

Going concern

The Directors believe that the company is well placed to manage its business risks successfully despite the current economic outlook

Having made appropriate enquiries of the intentions of the Group to continue to support the company, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Turnover

Turnover represents invoiced sales of commission services, excluding value added tax

Tangible fixed assets

Tangible fixed assets are initially recorded at cost. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	Straight line over 5 years
Fixtures and fittings	Straight line over 7 years
Computer equipment	Straight line over 5 years
Computer software	Straight line over 3 years

Taxation

Current tax, including UK corporation tax and foreign 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 taxation is provided in full on material timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Marlin Financial Services Limited

Notes to the accounts

For the year ended 31 December 2011

1. Accounting policies (continued)

Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. (Loss)/profit on ordinary activities before taxation:

	2011 £	2010 £
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Depreciation		
Owned assets	77,122	52,398
Leased assets	6,027	12,010
Operating lease rentals – land and buildings	202,241	226,679
Pension costs	103,933	94,009
Directors' emoluments and other benefits	-	43,826
	<u> </u>	<u> </u>
The auditor's remuneration was as follows:		
Fees payable to the Company's auditor for the audit of the annual accounts	8,000	7,000
	<u> </u>	<u> </u>

Non-audit fees are disclosed in the consolidated accounts of Marlin Financial Group Limited and so are not disclosed here. There were no prepaid or accrued pension contributions at the year end (2010 – £nil).

3. Tax on (loss)/profit on ordinary activities

(a) Tax on (loss)/profit on ordinary activities

	2011 £	2010 £
Current tax		
United Kingdom corporation tax at 26.5% (2010 – 28%)		
based on the (loss) / profit for the year	-	247,464
Adjustments in respect of prior years	(113,778)	(102,194)
Deferred tax (Note 8)	30,724	-
	<u> </u>	<u> </u>
	(83,054)	145,270

Marlin Financial Services Limited

Notes to the accounts For the year ended 31 December 2011

4. Tangible fixed assets

	Plant and machinery £	Fixtures, and fittings £	Computer equipment £	Computer Software £	Total £
Cost					
At 1 January 2011	77,472	10,037	189,761	94,940	372,210
Additions	768	2,834	44,743	59,311	107,656
At 31 December 2011	78,240	12,871	234,504	154,251	479,866
Accumulated depreciation					
At 1 January 2011	59,255	6,453	137,344	23,481	226,533
Charge for the year	6,327	1,416	38,229	37,177	83,149
At 31 December 2011	65,582	7,869	175,573	60,658	309,682
Net book value					
At 31 December 2011	12,658	5,002	58,931	93,593	170,184
At 31 December 2010	18,217	3,584	52,417	71,459	145,677

Computer software includes items with a net book value of £17,367 (2010 £30,558) which are held under finance leases

5. Debtors

	2011 £	2010 £
Trade debtors	54,344	200,503
Amounts owed by group undertakings	3,306,729	3,755,995
Other debtors	96,563	167,394
Prepayments and accrued income	234,808	117,238
	<u>3,692,444</u>	<u>4,241,130</u>

6. Cash at bank and in hand

The Company is responsible for ensuring that all funds in the collections account are distributed in accordance with the relevant servicing agreement. These funds have therefore been classified as restricted. Where these amounts are to be paid over to third party lenders there are corresponding liabilities within other creditors. Where the amounts are due to group companies the creditors have been included within amounts owed to group undertakings.

Marlin Financial Services Limited

Notes to the accounts For the year ended 31 December 2011

7. Creditors: amounts falling due within one year

	2011 £	2010 £
Bank overdrafts	43,769	-
Trade creditors	1,499,401	441,725
Net obligations under finance leases	14,582	59,363
Amounts owed to group undertakings	2,877,658	4,764,445
Other creditors	232,175	839,448
Other taxes and social security	46,644	24,761
Corporation tax	66,477	323,557
Accruals and deferred income	1,215,015	876,107
	<u>5,995,721</u>	<u>7,329,406</u>

8 Provision for liabilities

	2011 £	2010 £
Deferred taxation		
At 1 January 2011	-	-
Charged to profit and loss account	30,724	-
	<u>30,724</u>	<u>-</u>
At 31 December 2011	30,724	-

9. Called up share capital

	2011 £	2010 £
Alloted, called up and fully paid:		
610 ordinary share of £1 each	610	610
390 preferred shares of £1 each	390	390
	<u>1,000</u>	<u>1,000</u>

Both classes of share have equal rights and obligations to the Company. The sole additional right for holders of preferred shares is to receive the return of their capital in priority to the Company making any other distributions or dividend payments.

Marlin Financial Services Limited

Notes to the accounts For the year ended 31 December 2011

10. Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011	1,886,999
Loss for the financial year	(3,157,227)
Balance at 31 December 2011	<u>(1,270,228)</u>

11. Financial commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2011 £	Land and buildings 2010 £
Leases which expire:		
After five years	<u>145,125</u>	<u>145,125</u>

12. Contingent liabilities

All debts of the company are secured by a charge over the company held by Barclays Bank plc

13. Control and ultimate parent company

The ultimate parent company is Marlin Financial Group Limited and the controlling party is Duke Street Holdings Limited

The immediate parent company is Black Tip Capital Holdings Limited

The largest and smallest group in which the results of the company are consolidated is that headed by Marlin Financial Group Limited. Copies of the accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ

14. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by a parent company