Registered number 4690658

Complete Credit Management Limited

Report and Financial Statements

For the nine months ended 31 December 2009

Registered No 4690658

Directors

N Ford (appointed 27 May 2009)
M Barrist (appointed 27 May 2009)
J Schwab (appointed 27 May 2009)
T Ellis (appointed 27 May 2009)
RC McPheely (resigned 27 May 2009)
KAA Porritt (resigned 27 May 2009)
PM Senior (resigned 27 May 2009)

Secretary

T Ellis (appointed 27 May 2009)
PM Senior (resigned 27 May 2009)

Independent Auditors

PricewaterhouseCoopers LLP
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Bankers

Lloyds TSB Bank Plc
125 Colmore Row
Birmingham
B3 2DT

Registered office

Old Docks House
90 Watery Lane
Preston
PR2 1AU

Directors' Report

The directors present their report and the audited financial statements of Complete Credit Management Limited (the Company) for the nine months ended 31 December 2009

Results and Dividends

The Company's loss for the nine months to 31 December 2009 after taxation was £313,000 (financial year to 31 March 2009 loss of £2,000)

The directors do not recommend the payment of a final dividend (2008 £nil)

Business Review and Principal Activities

The Company's principal activity is debt collection within the utilities sector The Company's analytical based approach to debt segmentation reflects the needs of modern businesses and delivers efficient and low risk credit and debt management systems

At the beginning of the financial period, the Company operated as a division of Severn Trent Plc On 13 May 2009, 750 shares were allotted to Severn Trent Retail and Utility Services Ltd, the parent company, at £2,000 per share This was followed by a second allotment to the same company of 125 shares at £2,000 per share on 20 May 2009

On 27 May 2009, 100% of the share capital of the Company was purchased by NCO Europe Limited for a consideration of £440,000 (purchased at a premium)

On 31 December 2009, all operational activities at the Company's main operational site ceased and were transferred to the premises of its parent company, NCO Europe Limited At the balance sheet date the Company held a provision of £156,000 for this restructuring event Total charges recognised in 2009 for restructuring were £296,000

There have not been any significant changes in the Company's principal activities in the period under review The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year

Since acquisition, the accounting reference date has been changed and a short period of account has been prepared To analyse the Company's financial performance, the prior period's results have been restated as for a nine month period, under the assumption that profits were earned at a consistent rate over the year

The Company's financial performance during the nine months ended 31 December 2009 was as follows

	9 m/end 31 Dec 2009 £'000	*12 m/end 31 Mar 2009 £'000*	*9 m/end 31 Mar 2009 £'000*
Turnover	**1,412**	2,569	1,927
Operating (loss) / profit	**(427)**	64	49

Compared to the prior nine month period, turnover has reduced by 26 7% as a result of lower business levels and commission rate pressures from major clients In general, this is representative of the current competitive nature of the industry and overall economic conditions The operating loss is stated after a one off charge for £296,000 for the closure of the Shrewsbury site Excluding this charge, the operating loss for the nine months ended 31 December 2009 would be £131,000

Directors' Report (Continued)

Principal Risks and Uncertainties

Management have identified the following principle risks and uncertainties facing the Company

- Competition within the accounts receivable management industry
- Decrease in collections due to economic conditions
- Turnover rate of employees

Going Concern

The directors have considered the financial position and future prospects of the Company The directors believe that the Company has access to sufficient resources to manage its business risks successfully despite the current uncertain economic outlook

After making enquiries, 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

Directors

The directors who served during the year and up to the date of this report are shown on page 1

No emoluments were paid by the Company in respect of the services of the directors to the Company Their emoluments were paid by other companies within the NCO Europe Limited or Severn Trent groups

Directors' Indemnities

The company's Articles of Association provide that directors of the company shall be indemnified by the Company against any costs incurred by them in carrying out their duties, including defending any proceedings arising out of their positions as directors in which they are acquitted or judgment is given in their favour or relief from any liability is granted to them by the court

Supplier Payment Policy

It is the Company's policy to agree and confirm the terms of payment at the start of the business with that supplier, to ensure that suppliers are aware of the terms on which payment will take place and to pay in accordance with its contractual and other legal obligations

Disclosure of Information to Auditors

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

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

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

By order of the board

Thomas Ellis
Secretary
30 September 2010

Statement of director's responsibilities in respect of the Annual Report and the financial statements

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 judgements and 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
- 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 Auditors' Report

We have audited the financial statements of Complete Credit Management Limited for the nine months ended 31 December 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 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)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out in the Directors' report 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 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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 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

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

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 2009 and of its loss for the nine months 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

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

David Roper

David Roper (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester

30/09/10

Profit and Loss Account

For the nine months ended 31 December 2009

	Notes	*9 m/end 31 Dec 2009 £'000*	*12 m/end 31 Mar 2009 £'000*
Turnover	2	1,412	2,569
Administrative expenses			
- Restructuring costs	4	(296)	-
- Other		(1,543)	(2,505)
		(1,839)	(2,505)
Operating (loss) / profit	3	(427)	64
Net interest payable	7	(9)	(48)
(Loss) / profit on ordinary activities before taxation		(436)	16
Taxation on (loss) / profit on ordinary activities	8	123	(18)
Loss on ordinary activities after taxation	16	(313)	(2)

All results were derived from continuing operations

Statement of total recognised gains and losses

For the nine months ended 31 December 2009

The company has no recognised gains or losses other than the losses shown within the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented

Balance Sheet

At 31 December 2009

	Notes	31 Dec 09 £'000	31 Mar 09 £'000
Fixed assets			
Tangible fixed assets	10	149	314
Current assets			
Debtors	11	676	658
Cash at bank and in hand		333	431
		1,009	1,089
Creditors amounts falling due within one year	12	(547)	(2,385)
Net current assets / (liabilities)		462	(1,296)
Total assets less current liabilities		611	(982)
Provisions for liabilities and charges	13	(156)	-
Net assets / (liabilities)		455	(982)
Capital and reserves			
Called up share capital	14	1	-
Share premium account	15	1,749	-
Profit and loss account	15	(1,295)	(982)
Total shareholder's funds/deficit	16	455	(982)

These financial statements of Complete Credit Management Limited were approved by the Board of Directors on 30 September 2010 They were signed on its behalf by

Director
N Ford

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009

1. Accounting Policies

Basis of preparation
The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006 ('the Act') The principal accounting policies are set out below

Cash flow statement
The Company has taken advantage of the exemption of Financial Reporting Standard 1 (revised) 'Cash Flow Statements' and has not presented a cash flow statement

Turnover
Turnover represents the fair value of consideration receivable, excluding value added tax and trade discounts, in the ordinary course of business for goods and services provided Turnover is not recognised until the service has been provided to the customer, or the goods to which the sale relates have been despatched to the customer or, where they are held on the customer's behalf, title has passed to the customer Contingency fee revenue is recognised upon receipt of funds by the Company or its client

In respect of long term contracts, turnover is recognised based on the value of work carried out during the year with reference to the total sales value and the stage of completion of the contracts

Pension Costs
Up until the date of acquisition, the Company participated in the Severn Trent group's defined benefit and defined contribution pension schemes After the acquisition date, the company participated in NCO Europe Limited's defined contribution pension scheme The Company is currently unable to identify its share of assets and liabilities relating to the defined benefit schemes The pension costs charged in the profit and loss account are the contributions payable to the schemes in the accounting period as permitted by Financial Reporting Standard 17 'Retirement Benefits'

Current and Deferred Taxation
Current taxation is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted by the balance sheet date

In accordance with FRS 19 'Deferred Tax', full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits in the foreseeable future from which the underlying timing differences can be deducted

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

1. Accounting Policies (Continued)

Tangible Fixed Assets and Depreciation
Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment Additions are included at cost The depreciable lives are as follows

Computer equipment	4 years
Fixtures and fittings	5 years
Leasehold improvements	5 years or remaining lease term

Assets in the course of construction are not depreciated

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Operating Lease Agreements
Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term

Share Based Payments
Prior to its acquisition by NCO Europe Limited, the company participated in a number of the Severn Trent Group's equity settled, share based compensation plans for employees utilising the shares of Severn Trent Plc The fair value of the employee services received in exchange for the grant has been recognised as an expense over the vesting period of the grant

The fair value of employee services is determined by reference to the fair value of awards granted calculated using an appropriate pricing model, excluding the impact of any non market vesting conditions The number of awards that are expected to vest takes into account non market vesting conditions including, where appropriate, continuing employment by the group The charge is adjusted to reflect shares that do not vest as a result of failing to meet a non market condition

The grant of awards of shares of the Severn Trent Plc has been treated as a capital contribution and credited to reserves When awards vest, payments made to the Severn Trent Plc for the issue of shares are charged against the capital contributions previously received in respect of the same awards Any payments in excess of capital contributions have been treated as distributions

Provisions for Liabilities
A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation

2. Segmental Reporting
The Company's activities consist solely of debt collection All turnover is generated in the United Kingdom

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

3. Operating Profit
This is stated after charging

	9 m/end 31 Dec 2009 £'000	*12 m/end 31 Mar 2009 £'000*
Staff costs		
Social security costs	35	71
Wages and salaries	509	758
Pension costs	13	65
	557	894
Depreciation of tangible fixed assets	56	30
Operating lease rentals		
- land and buildings	36	2
- other	-	2
Fees payable to the Company's auditor		
- fees payable for the audit	5	3
- fees payable for non-audit services	-	-

4. Restructuring Costs

	9 m/end 31 Dec 2009 £'000	*12 m/end 31 Mar 2009 £'000*
Onerous lease provision	182	-
Dilapidations	59	-
Personnel	55	-
	296	-

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

5. Employee Information
The average number of employees was

	9 m/end 31 Dec 2009 Number	*12 m/end 31 Mar 2009 Number*
Operational	26	31
Administrative and Sales	5	4
	31	35

6. Directors' Emoluments
Prior to the acquisition by NCO Europe Ltd, the emoluments of K A A Porritt, R C McPheely and P M Senior were paid by the incumbent ultimate parent company as at that time their services to the Company were incidental to their services provided to other group companies It was not possible to make an accurate apportionment of the emoluments in respect of each of the subsidiaries

After the acquisition on 27 May 2009, directors' emoluments were paid by NCO Europe Limited

Accordingly, no emoluments have been disclosed in these financial statements in respect of the directors

7. Net Interest Payable

	9 m/end 31 Dec 2009 £'000	*12 m/end 31 Mar 2009 £'000*
Interest payable and similar charges	9	65
Less interest receivable and similar income	-	(17)
	9	48

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

8. Taxation

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

The tax charge is made up as follows

	9 m/end 31 Dec 2009 £'000	12 m/end 31 Mar 2009 £'000
Current tax		
UK corporation tax on profits of the period	-	-
Adjustments in respect of previous periods	-	(2)
Total current tax	-	(2)
Deferred tax		
Origination and reversal of timing differences	(123)	20
Total deferred tax	(123)	20
Tax on (loss)/profit on ordinary activities	(123)	18

(b) Factors affecting current tax charge

The differences are reconciled below

	9 m/end 31 Dec 2009 £'000	12 m/end 31 Mar 2009 £'000
(Loss)/profit on ordinary activities before tax	(384)	16
Tax on (loss)/profit on ordinary activities at standard UK corporation rate of 28 % (31 March 2009 28%)	(108)	5
Effects of		
Expenses not deductible for tax purposes	1	14
Income not allowable for tax purposes	(15)	-
Capital allowances in excess of depreciation	50	(19)
Losses carried forward/(utilisation of tax losses)	84	(1)
Other timing differences	(12)	-
Adjustments to tax charge in respect of previous periods	-	(1)
Total current tax (note 8 (a))	-	(2)

The Company earns profits solely in the UK Therefore the tax rate used for tax on (loss)/profit on ordinary activities is the standard rate for UK corporation tax, currently 28%

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

8. Taxation (continued)

(c) Deferred tax

	2009 *£'000*	*2008* *£'000*
Included in debtors (note 11)	190	69

The total asset at 31 December 2009 was as follows

Accelerated capital allowances	106	56
Other short term timing differences	-	13
Tax losses carried forward	84	-
Undiscounted deferred tax asset	190	69

9. Share Based Payments
Severn Trent Plc operates a number of share based remuneration schemes for employees Since the acquisition by NCO Europe Ltd, employees are no longer entitled to participate in this scheme

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

10. Tangible Fixed Assets

	Leasehold improvements	*Fixtures & fittings*	*Computer Equipment*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
Cost				
At 1 April 2009	43	43	753	839
Additions	1	1	12	14
Impairment	(44)	(4)	(102)	(150)
At 31 December 2009	-	40	663	703
Depreciation				
At 1 April 2009	-	-	(525)	(525)
Charge for the year	(7)	(4)	(45)	(56)
Impairment	7	1	19	27
At 31 December 2009	-	(3)	(551)	(554)
Net book value				
At 31 December 2009	-	37	112	149
At 31 March 2009	43	43	228	314

Fixed asset impairment charges of £123,000 relate to assets that are now redundant following the cessation of operational activities at the Shrewsbury site

11. Debtors

	31 Dec 2009	*31 Mar 2009*
	£'000	*£'000*
Trade debtors	343	225
Deferred taxation	190	69
Amounts receivable from group undertakings	54	-
Other debtors	-	18
Prepayments and accrued income	89	346
	676	658

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

12. Creditors: Amounts Falling Due Within One Year

	31 Dec 2009	*31 Mar 2009*
	£'000	*£'000*
Bank loans and overdrafts	-	1,516
Trade creditors	53	98
Amounts owed to group undertakings	12	12
Corporation taxation	-	1
Other taxation and social security	30	19
Amounts due to clients	197	428
Accruals and deferred income	255	311
	547	2,385

Amounts due to clients of £197,000 (31 March 2009 £428,000) are offset by an equal amount held on behalf of clients and is included in the cash at bank and in hand total

13. Provisions for Liabilities and Charges

	Onerous leases	*Dilapidations*	*Personnel Costs*	*Total*
	£'000	£'000	£'000	£'000
At 1 April 2009	-	-	-	-
Additions	50	59	47	156
At 31 December 2009	50	59	47	156

Onerous leases
The onerous lease provision relates to the contracted rental obligations in respect of unoccupied properties and is expected to be used over a period of up to one year

Dilapidations
The dilapidations provision relates to a contractual dilapidations obligation in respect of the same unoccupied properties and is expected to be used over a period of up to one year

Personnel costs
The personnel costs provision relates to severance pay and other staff related costs associated with the restructuring of the business, including recruitment, relocation and training costs

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

14. Share Capital

	31 Dec 2009	31 Mar 2009
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted called up and fully paid		
876 ordinary shares of £1 each	876	1
	876	1

On 13 May 2009, 750 shares were allotted to Severn Trent Retail and Utility Services Ltd, the parent company, at £2,000 per share This was followed by a second allotment to the same company of 125 shares at £2,000 per share on 20 May 2009

On 27 May 2009, 100% of the share capital of the Company was purchased by NCO Europe Ltd for a consideration of £440,000 (purchased at a premium)

15. Reserves

	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000
At 1 April 2009	-	(982)	(982)
Loss for the financial period	-	(313)	(313)
Premium on ordinary shares issued	1,749	-	1,749
At 31 December 2009	1,749	(1,295)	454

16. Reconciliation of Movement in Shareholder's Funds

	31 Dec 2009	31 Mar 2009
	£'000	£'000
Loss for the financial period	(313)	(2)
Net proceeds of issue of ordinary share capital (note 14)	1,750	-
Opening shareholders' deficit	(982)	(980)
Closing shareholders' funds/(deficit)	455	(982)

Notes to the Financial Statements
for the Nine Months Ended 31 December 2009 (Continued)

17. Financial Commitments
Annual commitments under non-cancellable operating leases are as follows

	31 Dec 2009	*31 Mar 2009*
	£'000	*£'000*
Expiry date		
Within one year	8	38
Between two and five years	-	2
	8	40

18. Retirement Benefit Schemes
Since 27 May 2009, the Company has operated a defined benefit contribution scheme as part of the NCO Europe Limited Group Personal Pension Plan Disclosures in relation to this scheme are given in NCO Europe Limited's annual report and accounts, which do not form part of these accounts

Prior to 27 May 2009, the Company participated in the defined benefit and contribution schemes of the Severn Trent group Disclosures in relation to these schemes are given in the Severn Trent Plc's annual report and accounts, which do not form part of these accounts

19. Related Party Transactions
The company has taken advantage of the exemption conferred by FRS 8 'Related Party Disclosures' not to disclose transactions with entities that are part of the group

20. Ultimate Parent Undertaking
During the period prior to 27 May 2009, the immediate parent undertaking was Severn Trent Retail and Utility Services Limited The ultimate parent undertaking and controlling party was Severn Trent Plc, which is the parent undertaking and controlling party of the smallest and largest group to consolidate these financial statements Copies of the Severn Trent Plc consolidated financial statements can be obtained from the Company Secretary at 2297 Coventry Road, Birmingham, B26 3PU

From 27 May 2009, the Company is a wholly owned subsidiary of NCO Europe Limited, a company incorporated in England and Wales The ultimate parent undertaking is NCO Group, Inc , a company incorporated in the United States of America The consolidated financial statements of this group are available to the public and may be obtained from NCO Group, Inc , 507 Prudential Road, Horsham, PA 19044, USA