

Financial Statements

Rossendales Collect Limited

For the period ended 31 May 2013

FRIDAY



A32NGRN6

A50

28/02/2014

#231

COMPANIES HOUSE

Registered number: 05070065

Rossendales Collect Limited

Company Information

Directors	G Hughes (appointed 21 March 2013) J L Crighton (appointed 21 March 2013) M Shang J Green-Jones (resigned 21 March 2013) D Chapman (resigned 21 March 2013)
Company secretary	Squire Sanders Secretarial Services Limited
Registered number	05070065
Registered office	Rutland House 148 Edmund Street Birmingham B3 2JR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	Yorkshire Bank plc 20 Mernon Way Leeds LS2 8NZ

Rossendales Collect Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 13

Rossendales Collect Limited

Directors' Report

For the period ended 31 May 2013

The directors present their report and the financial statements for the period ended 31 May 2013

Directors' responsibilities statement

The directors are responsible for preparing the 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 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;
- 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.

Principal activities and business review

The principal activities of the Company are

- Telephone and letter based debt collection
- Tracing
- Bespoke recovery solutions

We hold many prestigious contracts with central and local government, including HMRC and Legal Aid Agency, along with many private sector clients. The confidence our clients place in us is hard earned and we continue to strive to exceed their expectations.

During the period under review the company was acquired by Marston (Holdings) Limited. As a result of this transaction, the company has access to significant new resources, both capital and personnel, that will allow it to continue investing in technology and infrastructure. This will ensure that we can continue to deliver excellent client service and satisfaction, under the Rossendales brand, whilst continuing to grow and diversify.

On an annualised basis, turnover has increased from £1.7m to £2.9m. The annualised profit before Interest, Tax and Amortisation was £1.0m (2012: £0.3m).

The directors are pleased with the company's strong underlying financial performance for the period and we gain comfort from our client's high level of satisfaction with us. We continue to win new contracts and we are experiencing a growing number of opportunities arising within our wider sector.

Rossendales Collect Limited

Directors' Report

For the period ended 31 May 2013

Our business plans for financial year 2013/2014 demonstrate continued controlled growth based upon very high client retention levels. The corner stone of this strategy is the high quality of service we provide to our existing clients of which we are very proud.

We are assured that Rossendale's reputation for the highest standards of professionalism within the industry are a key advantage which gives us confidence for our future.

Directors

The directors who served during the period were

G Hughes (appointed 21 March 2013)
J L Crighton (appointed 21 March 2013)
M Shang
J Green-Jones (resigned 21 March 2013)
D Chapman (resigned 21 March 2013)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

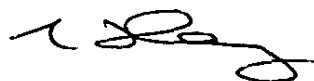
The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

28/02/14

and signed on its behalf



M Shang
Director



Independent Auditor's Report to the Members of Rossendales Collect Limited

We have audited the financial statements of Rossendales Collect Limited for the period ended 31 May 2013, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 May 2013 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Rossendales Collect Limited

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 and take advantage of the small companies' exemption in preparing the Directors' report.

Grant Thornton UK LLP

Charles Hutton-Potts Bsc FCA (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
London
Date. *28 February 2014*

Profit and Loss Account

For the period ended 31 May 2013

	Note	16 months ended 31 May 2013 £	As restated 31 January 2012 £
Turnover	1	3,930,609	1,654,089
Cost of sales		(2,141,301)	(1,160,460)
Gross profit		1,789,308	493,629
Administrative expenses		(473,302)	(237,352)
Operating profit	2	1,316,006	256,277
Interest receivable and similar income		1,024	595
Profit on ordinary activities before taxation		1,317,030	256,872
Tax on profit on ordinary activities	4	(267,258)	(60,803)
Profit for the financial period	10	1,049,772	196,069

The notes on pages 8 to 13 form part of these financial statements

Statement of Total Recognised Gains and Losses

For the period ended 31 May 2013

	Note	16 months ended 31 May 2013 £	As restated 31 January 2012 £
Profit for the financial period		<u>1,049,772</u>	<u>196,069</u>
Total recognised gains and losses relating to the period		1,049,772	<u>196,069</u>
Prior year adjustment	11	<u>(74,077)</u>	
Total gains and losses recognised since last financial statements		<u>975,695</u>	

The notes on pages 8 to 13 form part of these financial statements

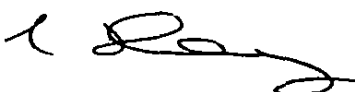
Balance Sheet

As at 31 May 2013

	Note	£	31 May 2013 £	As restated 31 January 2012 £
Fixed assets				
Tangible assets	5		1,271	-
Current assets				
Debtors	6	2,265,201		914,040
Cash at bank		183,556		182,965
		<u>2,448,757</u>		<u>1,097,005</u>
Creditors: amounts falling due within one year	7	(483,903)		(180,652)
Net current assets			<u>1,964,854</u>	<u>916,353</u>
Net assets			<u><u>1,966,125</u></u>	<u><u>916,353</u></u>
Capital and reserves				
Called up share capital	9		1,155	1,155
Profit and loss account	10		<u>1,964,970</u>	<u>915,198</u>
Shareholders' funds	12		<u><u>1,966,125</u></u>	<u><u>916,353</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/02/14.



M Shang
Director

The notes on pages 8 to 13 form part of these financial statements

Notes to the Financial Statements

For the period ended 31 May 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover comprises of the invoiced value of services supplied by the company, fees collected and income accrued in respect of liability orders issued. Turnover is exclusive of value added tax and trade discounts.

Turnover is recognised on cases placed in payment arrangements at the point a payment plan is established. The turnover is calculated as the fee for each case in arrangement less a provision for impairment.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer and office equipment - 15% - 33% straight line

1.4 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.5 Deferred taxation

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements which 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 it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

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

Notes to the Financial Statements

For the period ended 31 May 2013

2. Operating profit

The operating profit is stated after charging

	16 months ended 31 May 2013 £	31 January 2012 £
Depreciation of tangible fixed assets		
- owned by the company	293	1,243
Auditor's remuneration	-	2,400
	<u>293</u>	<u>3,643</u>

During the period, no director received any emoluments (2012 - £NIL)

Audit fees for the current period have been borne by another group undertaking

3. Staff costs

Staff costs were as follows

	16 months ended 31 May 2013 £	31 January 2012 £
Wages and salaries	1,168,447	702,905
	<u>1,168,447</u>	<u>702,905</u>

The average monthly number of employees, including the directors, during the period was as follows

	16 months ended 31 May 2013 No.	31 January 2012 No.
Administration	51	39
	<u>51</u>	<u>39</u>

4. Taxation

	16 months ended 31 May 2013 £	31 January 2012 £
UK corporation tax charge on profit for the period/year	267,258	60,803
	<u>267,258</u>	<u>60,803</u>

Notes to the Financial Statements

For the period ended 31 May 2013

5. Tangible fixed assets

	Computer and office equipment £
Cost	
At 1 February 2012	18,305
Additions	1,561
At 31 May 2013	19,866
Depreciation	
At 1 February 2012	18,305
Charge for the period	290
At 31 May 2013	18,595
Net book value	
At 31 May 2013	1,271
At 31 January 2012	-

6. Debtors

	31 May 2013 £	As restated 31 January 2012 £
Trade debtors	275,006	235,246
Amounts owed by group undertakings	1,693,123	480,735
Prepayments and accrued income	295,621	196,400
Deferred tax asset (see note 8)	1,451	1,659
	2,265,201	914,040

Notes to the Financial Statements

For the period ended 31 May 2013

7. Creditors:

Amounts falling due within one year

	31 May 2013 £	As restated 31 January 2012 £
Trade creditors	8,764	71,064
Corporation tax	243,874	36,730
Other taxation and social security	107,376	55,422
Accruals and deferred income	123,889	17,436
	<u>483,903</u>	<u>180,652</u>

8. Deferred tax asset

	31 May 2013 £	31 January 2012 £
At beginning of period/year	1,659	1,659
Released during/(charged for) period/year (P&L)	(208)	-
At end of period/year	<u>1,451</u>	<u>1,659</u>

The deferred tax asset is made up as follows

	31 May 2013 £	31 January 2012 £
(Decelerated)/Accelerated capital allowances	<u>1,451</u>	<u>1,659</u>

9. Share capital

	31 May 2013 £	31 January 2012 £
Allotted, called up and fully paid		
1,155 Ordinary shares of £1 each	<u>1,155</u>	<u>1,155</u>

Notes to the Financial Statements

For the period ended 31 May 2013

10. Reserves

	Profit and loss account £
At 1 February 2012 (as previously stated)	989,275
Prior year adjustment (note 11)	(74,077)
At 1 February 2012 (as restated)	915,198
Profit for the financial period	1,049,772
At 31 May 2013	1,964,970

11. Prior year adjustment

Following the acquisition of the company by Marston (Holdings) Limited, the company has amended certain of its accounting policies in order to harmonise accounting treatment with its new parent company

Cash held on behalf of clients was previously held on the balance sheet, gross of an associated client liability. In order to best reflect the substance of the transaction and to be consistent with Group policy, client liabilities and associated cash held on behalf of clients has been excluded from the balance sheet. This had no impact on the profits previously reported. Cash and creditors balances have been reduced by £227,540 compared to the amounts previously reported in the prior year as a result of the adjustment.

The company's previous policy to accrue income in respect of cases in progress has been amended to present a policy consistent with the Group. Revenues in the prior period have been decreased by £108,734, with an impact on profit after tax resulting in a decrease of £97,256. The impact on opening reserves at 1 February 2012 was a decrease in net assets of £74,077.

12. Reconciliation of movement in shareholders' funds

	31 May 2013 £	31 January 2012 £
Opening shareholders' funds	990,430	697,105
Prior year adjustments (note 11)	(74,077)	23,179
Opening shareholders' funds (as restated)	916,353	720,284
Profit for the financial period/year	1,049,772	196,069
Closing shareholders' funds	1,966,125	916,353

Notes to the Financial Statements

For the period ended 31 May 2013

13. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from disclosing transactions with other wholly owned group companies on the grounds that it is itself a wholly owned subsidiary and its parent publishes consolidated accounts

14. Ultimate parent undertaking and controlling party

Marston (Holdings) Limited, formerly The Bridgman Group Limited, is the immediate parent undertaking of Rossendales Collect Limited. Marston (Holdings) Limited has included the company in its group financial statements, copies of which are available from its registered office - Rutland House, 148 Edmund Street, Birmingham, B3 2JR

The ultimate parent company of the Group is Marston Topco Limited. This company was incorporated on 21 March 2012 and the first set of financial statements for this company will be prepared up to 31 May 2013

The largest group of undertakings for which group accounts have been drawn up is that headed by Marston Topco Limited