

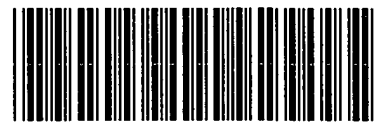
Registration number: 05070065

Rossendales Collect Limited

Annual report and financial statements

for the year ended 31 May 2015

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Rossendales Collect Limited

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Rossendales Collect Limited
Company Information

Directors	D Chapman J L Crichton R I L Dexter
Company secretary	Squire Sanders Secretarial Services Limited
Registered office	Rutland House, 8th floor 148 Edmund Street Birmingham B3 2JR
Solicitors	Squire Patton Boggs (UK) LLP 2 Park Lane Leeds LS3 1ES
Bankers	Lloyds TSB Bank Plc 25 Gresham Street London EC2V 7HN NM Rothschild and Sons New Court St Swithin's Lane London EC4N 8AL
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

Rossendales Collect Limited

Directors' Report for the year ended 31 May 2015

The directors present their annual report and the audited financial statements for the year ended 31 May 2015.

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 apply them consistently;
- make judgements 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 activity

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.

Business review

Turnover in the year was £4.3m (2014: £3.4m). The profit before interest, tax and amortisation was £0.57m (2014: £0.59m).

Rossendales Collect Limited

Directors' Report for the year ended 31 May 2015 (continued)

Directors

The directors who served throughout the year except as noted, were as follows:

R A Bailey (resigned 10 November 2014)

D Chapman (appointed 10 November 2014)

J L Crichton

R I L Dexter (appointed 10 November 2014)

B D Duncan (resigned 10 November 2014)

G Hughes (resigned 10 November 2014)

A Lippiatt (resigned 10 November 2014)

P D Manning (resigned 10 November 2014)

S B Newman (resigned 10 November 2014)

M J Shang (resigned 4 July 2014)

P Suffield (appointed 10 November 2014 and resigned 8 June 2015)

Dividends

The directors do not recommend the payment of a dividend (2014: £nil).

Post balance sheet event

On 1 June 2015, as part of a group re-organisation, the company's trade, assets and liabilities were transferred to Rossendales Limited, another subsidiary undertaking within the Marston (Holdings) Limited group at book value. From that date Rossendales Collect Limited ceased to trade.

Disclosure of information to auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as directors to make themselves 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 section 418 of the Companies Act 2006.

Reappointment of auditor

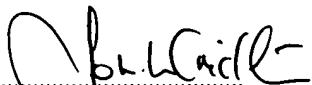
The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Rossendales Collect Limited
Directors' Report for the year ended 31 May 2015 (continued)

Small company provisions statement

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 27.10.15 and signed on its behalf by:



J L Crichton
Director

Rossendales Collect Limited

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

We have audited the financial statements of Rossendales Collect Limited for the year ended 31 May 2015, which comprise the balance sheet, the profit and loss account 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).

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' Report (set out on page 2), 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

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/auditscopeukprivate.

Opinion on the 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 2015 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.

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.

Rossendales Collect Limited
Independent Auditor's Report to the members of Rossendales Collect Limited
(continued)

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 from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Grant Thornton UK LLP

.....
Gary Jones
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: *27/10/15*
.....

Rossendales Collect Limited
Profit and Loss Account for the year ended 31 May 2015

		2015	2014
	Note	£	(as restated) £
Turnover	2	4,348,066	3,411,217
Expenses		<u>(3,775,124)</u>	<u>(2,819,145)</u>
Operating profit	3	572,942	592,072
Interest receivable and similar income	5	1	831
Interest payable and similar charges	6	<u>(6,699)</u>	<u>-</u>
Profit on ordinary activities before taxation		566,244	592,903
Tax on profit on ordinary activities	7	<u>446</u>	<u>25,574</u>
Profit for the financial year	13	<u>566,690</u>	<u>618,477</u>

The prior year presentation of costs of sales and administrative expenses has been restated to align with current year presentation.

Following the re-organisation, referred to in note 17, all of the company's operations are continuing within other group undertakings. Therefore, as there has been no transfer outside the group or termination, activities are considered to be continuing operations.

The company has no recognised gains or losses for the current or preceding year other than the results above. Therefore, no separate statement of total recognised gains and losses is presented.

The notes on pages 9 to 15 form part of these financial statements.

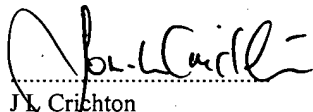
Rossendales Collect Limited
Balance Sheet as at 31 May 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	8	56,788	1,037
Current assets			
Debtors	9	2,988,587	2,946,022
Cash at bank and in hand		<u>724,833</u>	<u>215,379</u>
		3,713,420	3,161,401
Creditors: amounts falling due within one year	10	<u>(618,916)</u>	<u>(577,836)</u>
Net current assets		<u>3,094,504</u>	<u>2,583,565</u>
Net assets		<u><u>3,151,292</u></u>	<u><u>2,584,602</u></u>
Capital and reserves			
Called-up share capital	12	1,155	1,155
Profit and loss account	13	<u>3,150,137</u>	<u>2,583,447</u>
Shareholder's funds	14	<u><u>3,151,292</u></u>	<u><u>2,584,602</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Rossendales Collect Limited (registration number: 05070065) were approved by the Board of Directors and authorised for issue on: 27.10.15

They were signed on its behalf by:


 J.L. Crichton
 Director

The notes on pages 9 to 15 form part of these financial statements.

Rossendales Collect Limited

Notes to the Financial Statements for the year ended 31 May 2015

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation

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

Going concern

On 1 June 2015, as part of a group re-organisation, the company's trade, assets and liabilities were transferred to Rossendales Limited, another subsidiary undertaking within the Marston (Holdings) Limited group at book value. Under the transfer agreement the consideration was in the form of an intercompany loan and therefore the net asset position of Rossendales Collect Limited was unaltered.

As Rossendales Collect Limited ceased trading on 1 June 2015, we have considered the continued appropriateness of the going concern basis. We have given consideration to any consequences of the transfer of operations under a legal agreement and subsequent trading in the context of asset valuations, provisions and liabilities. In our opinion, no adjustments are required to the carrying value of assets and liabilities included in the balance sheet at 31 May 2015 as a result of the re-organisation and subsequent trading. All assets are expected to realise at least the values they are stated at in the balance sheet and liabilities were transferred at book value.

Therefore, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

Taxation

Current tax including 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 taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less tax or to receive more tax, with the following exceptions.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Rossendales Collect Limited
Notes to the Financial Statements for the year ended 31 May 2015 (continued)

1 Accounting policies (continued)

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 collection risk based upon historic collection levels. No discounting for the time value of money is applied.

Tangible fixed assets

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.

Asset class	Depreciation rate and method
Computer and office equipment	15% - 33% straight line

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are kept separately from those of the company in an independently administered fund.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

Operating profit is stated after charging:

	2015	2014
	£	£
Depreciation of owned assets	<u>16,327</u>	<u>235</u>

During the year, no director received any emoluments from the company (2014: £nil).

Audit fees are borne by another group company. No other fees were paid to the auditor for non-audit services.

Rossendales Collect Limited
Notes to the Financial Statements for the year ended 31 May 2015 (continued)

4 Staff costs

The average monthly number of employees including directors was as follows:

	2015	2014
	Number	Number
Operational	85	61
Administration	21	12
	<u>106</u>	<u>73</u>

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	1,575,485	1,045,903
Social security costs	103,937	69,514
Pension costs	18,222	5,443
	<u>1,697,644</u>	<u>1,120,860</u>

5 Interest receivable and similar income

	2015	2014
	£	£
Bank interest receivable	<u>1</u>	<u>831</u>

6 Interest payable and similar charges

	2015	2014
	£	£
Other interest payable	<u>6,699</u>	<u>-</u>

Rossendales Collect Limited
Notes to the Financial Statements for the year ended 31 May 2015 (continued)

7 Taxation

	2015 £	2014 £
UK corporation tax charge on profit for the year	-	(25,989)
Deferred tax		
Origination and reversal of timing differences	(446)	256
Effect of changes in tax rates	-	159
Total deferred tax (credit)/charge	(446)	415
Total tax on profit on ordinary activities	(446)	(25,574)

Factors affecting current tax charge for the year

The tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2014: lower than the standard rate of corporation tax in the UK) of 20.83% (2014: 22.67%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before tax	566,244	592,903
Corporation tax at standard rate	117,967	134,387
Expenses not deductible for tax purposes	605	446
Effects of capital allowances in excess of depreciation	465	(256)
Adjustment to tax charge in respect of prior periods	-	(25,989)
Group relief not paid for	(119,037)	(134,577)
Total current tax	-	(25,989)

Rossendales Collect Limited
Notes to the Financial Statements for the year ended 31 May 2015 (continued)

8 Tangible fixed assets

	Computer and office equipment £
Cost	
At 1 June 2014	5,814
Additions	<u>72,078</u>
At 31 May 2015	<u>77,892</u>
Depreciation	
At 1 June 2014	4,777
Charge for the year	<u>16,327</u>
At 31 May 2015	<u>21,104</u>
Net book value	
At 31 May 2015	<u>56,788</u>
At 31 May 2014	<u>1,037</u>

9 Debtors

	2015 £	2014 £
Trade debtors	455,965	468,077
Amounts owed by group undertakings	1,472,422	1,607,186
Prepayments and accrued income	1,058,718	865,712
Other debtors	-	4,011
Deferred tax (see note 11)	<u>1,482</u>	<u>1,036</u>
	<u>2,988,587</u>	<u>2,946,022</u>

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	112,674	284,830
Amounts owed to group undertakings	370,370	-
Corporation tax	-	217,888
Other taxes and social security	53,419	-
Accruals and deferred income	<u>82,453</u>	<u>75,118</u>
	<u>618,916</u>	<u>577,836</u>

Rossendales Collect Limited

Notes to the Financial Statements for the year ended 31 May 2015 (continued)

11 Deferred tax asset

	Deferred tax £
At 1 June 2014	(1,036)
Current year credit	<u>(446)</u>
At 31 May 2015	<u><u>(1,482)</u></u>

The deferred tax asset is made up of:

	2015 £	2014 £
Accelerated capital allowances	<u>1,482</u>	<u>1,036</u>

12 Called-up share capital

Allotted, called-up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary shares of £1 each	<u>1,155</u>	<u>1,155</u>	<u>1,155</u>	<u>1,155</u>

13 Reserves

	Profit and loss account £
At 1 June 2014	2,583,447
Profit for the financial year	<u>566,690</u>
At 31 May 2015	<u><u>3,150,137</u></u>

14 Reconciliation of movement in shareholder's funds

	2015 £	2014 £
Profit for the financial year	<u>566,690</u>	<u>618,477</u>
Shareholder's funds at 1 June	<u>2,584,602</u>	<u>1,966,125</u>
Shareholder's funds at 31 May	<u><u>3,151,292</u></u>	<u><u>2,584,602</u></u>

Rossendales Collect Limited
Notes to the Financial Statements for the year ended 31 May 2015 (continued)

15 Pension commitments

The pension charge in relation to company pension contributions to money purchase pension schemes for the year is disclosed in note 4 to the financial statements. At the year-end, there was no outstanding pension contribution (2014: £nil).

16 Related party transactions

As a wholly owned subsidiary of Marston (Holdings) Limited the company is exempt from the requirements of Financial Reporting Standard 8 "Related Party Disclosures" to disclose transactions with other members of the group headed by Marston (Holdings) Limited.

17 Post balance sheet event

On 1 June 2015, as part of a group re-organisation, the company's trade, assets and liabilities were transferred to Rossendales Limited, another subsidiary undertaking within the Marston (Holdings) Limited group at book value. The transfer was satisfied by a consideration in the form of an intercompany loan and therefore, immediately following this re-organisation, there was no change in the balance sheet net assets of Rossendales Collect Limited. From that date Rossendales Collect Limited ceased to trade.

18 Ultimate controlling party

Marston (Holdings) 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 smallest group of undertakings for which consolidated financial statements have been drawn up is that headed by Marston (Holdings) Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by the ultimate parent company and controlling party, Marston Topco Limited.