

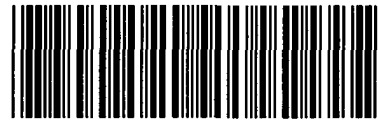
Registration number: 05070065

Rossendales Collect Limited

Annual report and financial statements

for the year ended 31 May 2014

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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 P Suffield
Company secretary	Squire Patton Boggs 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
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 2014

The directors present their annual report and the audited financial statements for the year ended 31 May 2014.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

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 £3.4m. The prior accounting period was for 16 months where turnover of £3.9m was reported. On an annualised basis turnover has therefore increased from £2.95m to £3.4m. The profit before interest, tax and amortisation was £0.56m (16 months to 31 May 2013: £1m).

The directors are pleased with the company's strong underlying financial performance for the period and we gain comfort from our clients' 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.

Our business plans for financial year 2014/2015 demonstrate continued controlled growth based upon very high client retention levels. The cornerstone of this strategy is the high quality of service we provide to our existing clients of which we are very proud.

Rossendales Collect Limited
Directors' Report for the year ended 31 May 2014 (continued)

Directors

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

R A Bailey (appointed 22 August 2013 and 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)

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 s418 of the Companies Act 2006.

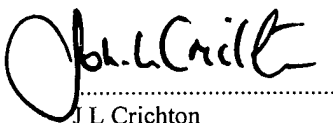
Reappointment of auditor

Grant Thornton UK 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.

Small company provisions statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

This report was approved by the Board on 6.3.15 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 2014, set out on pages 6 to 14. 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 (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/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 2014 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and Strategic Report.

Grant Thornton UK LLP

.....
Charles Hutton-Potts Bsc FCA
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: *6 March 2015*

Rossendales Collect Limited**Profit and Loss Account for the year ended 31 May 2014**

	Note	Year ended 31 May 2014 £	16 months ended 31 May 2013 £
Turnover	1	3,411,217	3,930,609
Cost of sales		<u>(2,234,125)</u>	<u>(2,141,301)</u>
Gross profit		1,177,092	1,789,308
Administrative expenses		<u>(585,020)</u>	<u>(473,302)</u>
Operating profit	2	592,072	1,316,006
Interest receivable and similar income		<u>831</u>	<u>1,024</u>
Profit on ordinary activities before taxation		592,903	1,317,030
Tax on profit on ordinary activities	4	<u>25,574</u>	<u>(267,258)</u>
Profit for the financial year	10	<u>618,477</u>	<u>1,049,772</u>

Turnover and operating profit derive wholly from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

Rossendales Collect Limited**Statement of Total Recognised Gains and Losses for the year ended 31 May 2014**

		Year ended 31 May 2014	16 months ended 31 May 2013
	Note	£	£
Profit for the financial year/period		<u>618,477</u>	<u>1,049,772</u>
Total recognised gains and losses relating to the year/period		<u>618,477</u>	<u>1,049,772</u>
Prior year adjustment	11	<u>-</u>	<u>(74,077)</u>
Total recognised gains and losses since last financial statements		<u>618,477</u>	<u>975,695</u>

The notes on pages 9 to 14 form part of these financial statements.

Rossendales Collect Limited
Balance Sheet as at 31 May 2014

	Note	31 May 2014 £	31 May 2013 £
Fixed assets			
Tangible assets	5	1,037	1,271
Current assets			
Debtors	6	2,946,022	2,265,201
Cash at bank and in hand		<u>215,379</u>	<u>183,556</u>
		3,161,401	2,448,757
Creditors: amounts falling due within one year	7	<u>(577,836)</u>	<u>(483,903)</u>
Net current assets		<u>2,583,565</u>	<u>1,964,854</u>
Net assets		<u><u>2,584,602</u></u>	<u><u>1,966,125</u></u>
Capital and reserves			
Called-up share capital	9	1,155	1,155
Profit and loss account	10	<u>2,583,447</u>	<u>1,964,970</u>
Shareholders' funds	12	<u><u>2,584,602</u></u>	<u><u>1,966,125</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: **6.3.15**

They were signed on its behalf by:



 J L Crichton
 Director

The notes on pages 9 to 14 form part of these financial statements.

Rossendales Collect Limited
Notes to the Financial Statements for the year ended 31 May 2014

1 Accounting policies

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

Basis of preparation

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

Going concern

The financial statements have been prepared on a 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.

Deferred taxation

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.

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

Computer and office equipment

Depreciation method and rate

15% - 33% straight line

Rossendales Collect Limited

Notes to the Financial Statements for the year ended 31 May 2014 (continued)

2 Operating profit

Operating profit is stated after charging:

	Year ended 31 May 2014	16 months ended 31 May 2013
	£	£
Depreciation of owned assets	<u>235</u>	<u>293</u>

During the year, no director received any emoluments (2013: £Nil).

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

3 Staff costs

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

	Year ended 31 May 2014	16 months ended 31 May 2013
	Number	Number
Administration	<u>73</u>	<u>54</u>

Staff costs were as follows:

	Year ended 31 May 2014	16 months ended 31 May 2013
	£	£
Wages and salaries	1,045,903	1,090,230
Social security costs	69,514	78,215
Pension costs	<u>5,443</u>	<u>-</u>
	<u>1,120,860</u>	<u>1,168,445</u>

4 Taxation

	Year ended 31 May 2014	16 months ended 31 May 2013
	£	£
UK corporation tax charge on profit for the year/period	<u>(25,989)</u>	<u>267,258</u>
Deferred tax		
Origination and reversal of timing differences	256	-
Effect of changes in tax rates	<u>159</u>	<u>-</u>
Total deferred tax	<u>415</u>	<u>-</u>
Total tax on profit on ordinary activities	<u>(25,574)</u>	<u>267,258</u>

Rossendales Collect Limited
Notes to the Financial Statements for the year ended 31 May 2014 (continued)

4 Taxation (continued)

Factors affecting current tax charge for the year

The tax on profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK (2013: the same as the standard rate of corporation tax in the UK) of 22.67% (2013: 23.25%).

The differences are reconciled below:

	Year ended 31 May 2014	16 months ended 31 May 2013
	£	£
Profit on ordinary activities before tax	<u>592,903</u>	<u>1,317,030</u>
Corporation tax at standard rate	134,387	306,209
Expenses not deductible for tax purposes	446	-
Effects of capital allowances in excess of depreciation	(256)	-
Adjustment to tax charge in respect of prior periods	(25,989)	-
Group relief not paid for	<u>(134,577)</u>	<u>(38,951)</u>
Total current tax	<u>(25,989)</u>	<u>267,258</u>

5 Tangible fixed assets

	Computer and office equipment
	£
Cost	
At 1 June 2013	19,866
Disposals	<u>(14,052)</u>
At 31 May 2014	<u>5,814</u>
Depreciation	
At 1 June 2013	18,595
Charge for the year	235
Eliminated on disposals	<u>(14,053)</u>
At 31 May 2014	<u>4,777</u>
Net book value	
At 31 May 2014	<u>1,037</u>
At 31 May 2013	<u>1,271</u>

Rossendales Collect Limited

Notes to the Financial Statements for the year ended 31 May 2014 (continued)

6 Debtors

	31 May 2014	31 May 2013
	£	£
Trade debtors	468,077	275,006
Amounts owed by group undertakings	1,607,186	1,693,123
Prepayments and accrued income	865,712	295,621
Other debtors	4,011	-
Deferred tax (see note 8)	1,036	1,451
	<u>2,946,022</u>	<u>2,265,201</u>

7 Creditors: amounts falling due within one year

	31 May 2014	31 May 2013
	£	£
Trade creditors	284,830	8,764
Corporation tax	217,888	243,874
Other taxes and social security	-	107,376
Accruals and deferred income	75,118	123,889
	<u>577,836</u>	<u>483,903</u>

8 Deferred tax asset

	Deferred tax
	£
At 1 June 2013	1,451
Credited to the profit and loss account	<u>(415)</u>
At 31 May 2014	<u>1,036</u>

The deferred tax asset is made up of:

	31 May 2014	31 May 2013
	£	£
Accelerated capital allowances	<u>1,036</u>	<u>1,451</u>

9 Called-up share capital

Allotted, called-up and fully paid shares

	31 May 2014		31 May 2013	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,155</u>	<u>1,155</u>	<u>1,155</u>	<u>1,155</u>

Rossendales Collect Limited**Notes to the Financial Statements for the year ended 31 May 2014 (continued)****10 Reserves**

	Profit and loss account £
At 1 June 2013	1,964,970
Profit for the financial year	<u>618,477</u>
At 31 May 2014	<u><u>2,583,447</u></u>

11 Prior period adjustment

Following the acquisition of the company by Marston (Holdings) Limited in the prior period, the company 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 reported in the current or previous years. Cash and creditors balances reduced by £227,540 as a result of the adjustment in 2013 compared to the amounts previously reported in the years prior to this.

The company's previous policy to accrue income in respect of cases in progress was amended to present a policy consistent with the Group Revenues in 2013 and decreased by £108,734, with an impact on profit after tax resulting in a decrease of £97,256 in the prior period. The impact on opening reserves at 1 February 2012 was a decrease in net assets of £74,077.

This did not affect 2014 profits or reserves.

12 Reconciliation of movement in shareholders' funds

	31 May 2014 £	31 May 2013 £
Opening shareholders' funds at start of period	1,966,125	990,430
Prior period adjustment (note 11)	<u>-</u>	<u>(74,077)</u>
Opening shareholders' funds as restated	1,966,125	916,353
Profit for the financial year/period	<u>618,477</u>	<u>1,049,772</u>
Closing shareholders' funds at end of period	<u><u>2,584,602</u></u>	<u><u>1,966,125</u></u>

13 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.

Rossendales Collect Limited

Notes to the Financial Statements for the year ended 31 May 2014 (continued)

14 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 Marston Topco Limited.

The ultimate parent company of the Group is Marston Topco Limited. The company's ultimate controlling party is Inflexion 2010 General Partner Limited.