

The Crucible Debt Purchase Company Limited

**Directors' report and financial
statements**

**Registered number 5316613
30 September 2005**



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Directors' report

The directors present their annual report and the audited financial statements for the period from 20 December 2004 (date of incorporation) to 30 September 2005.

Incorporation and change of name

The company was incorporated and registered in England and Wales on 20 December 2004 with the name of Ingleby (1645) Limited as a private company limited by shares. On 10 May 2005 the company changed its name to The Crucible Debt Purchase Company Limited.

Principal activities

The principal activity of the company throughout the period was the purchase and subsequent collection of third party debt.

Business review

The company commenced trading on 16 May 2005 having purchased a book of outstanding consumer debt. The profit after tax for the period was £137,534.

Dividend

No dividend was declared or paid during the period.

Directors and directors' interests

The directors who held office during the period were as follows:

William Pierce	Appointed 14 April 2005
Nigel Bridle	Appointed 10 June 2005
Monica Beckles	Appointed 14 April 2005
Steven Dunne	Appointed 16 May 2005
David Leach	Appointed 14 April 2005
Ingleby Holdings Limited	Appointed 20 December 2004, resigned 14 April 2005
Robert Jones	Appointed 16 May 2005, resigned 28 April 2006

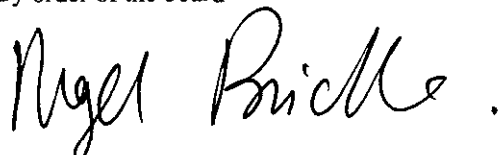
The directors' share interests in the share capital of the company on appointment to the board and at the end of the period were as follows:

	Ordinary Shares of 0.1p
Robert Jones	100,000
William Pierce	1,686,000
Monica Beckles	482,000
David Leach	482,000
Nigel Bridle	250,000

Auditors

In accordance with section 384, a resolution to reappoint KPMG LLP as auditors to the company will be proposed at the forthcoming Annual General Meeting.

By order of the board



Nigel Bridle
Secretary

Capella Court
Brighton Road
Purley
Surrey
CR8 2PG

28 July 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 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 proper accounting records that 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 1985. 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 to the members of The Crucible Debt Purchase Company Limited

We have audited the financial statements on pages 5 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG-LLP

KPMG LLP
Chartered Accountants
Registered Auditor

31 July 2006
1 Forest Gate
Brighton Road
Crawley
RH11 9PT
United Kingdom

Profit and loss account

for the period ended 30 September 2005

	Note	Period to 30 September 2005
		£
Turnover		305,498
Cost of sales		(87,215)
Gross profit		218,283
Administrative expenses		(27,000)
Operating profit		191,283
Interest payable	4	(9,962)
Profit on ordinary activities before taxation	2	181,321
Tax on profit on ordinary activities	5	(43,787)
Retained profit for the financial period	10	137,534

The company has no recognised gains or losses other than the profit for the period.

All of the above activities are continuing.

Balance sheet
at 30 September 2005

	Note	2005 £
Current assets		
Debtors	6	396,410
Cash at bank		<u>23,276</u>
		419,686
Creditors: amounts falling due within one year	7	<u>(146,396)</u>
Net current assets		273,290
Creditors: amounts falling due after more than one year	8	(130,756)
Net assets		<u><u>142,534</u></u>
Capital and reserves		
Called up share capital	9	5,000
Profit and loss account	10	137,534
Shareholders' funds	11	<u><u>142,534</u></u>

These financial statements were approved by the board of directors on 28 July 2006 and were signed on its behalf by:



Nigel Bridle
 Director

Cash flow statement for the period ended 30 September 2005

	<i>Note</i>	2005 £
Reconciliation of operating profit to net cash flow from operating activities		
Operating profit		191,283
(Increase) in debtors		(396,410)
Increase in creditors		18,473
		<hr/>
Net cash inflow from operating activities		(186,654)
		<hr/>
Cash flow statement		
Cash flow from operating activities		(186,654)
Returns on investments and servicing of finance	13	(9,962)
		<hr/>
Cash (outflow) before financing		(196,616)
		<hr/>
Financing	13	219,892
		<hr/>
Increase in cash in the period		23,276
		<hr/>
Reconciliation of net cash flow to movement in net debt		
	14	
Increase in cash in the period		23,276
Cash raised to acquire third party trade debt		(214,892)
		<hr/>
Movement in net debt in the period		(191,616)
Net debt at the start of the period		-
		<hr/>
Net debt at the end of the period		(191,616)
		<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

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

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents cash receipts relating to purchased third party debt and is recognised when cash is received.

Purchased third party trade debt

Consumer debts purchased from third party financial institutions are included in trade debtors at cost and amortised to the profit and loss account based on cash receipts to date against expected total receipts over the total period of debt collection.

Notes *(continued)*

2 Profit on ordinary activities before taxation

Period Ended
30 September
2005

£

Profit on ordinary activities before taxation is stated after charging

Auditors' remuneration - audit

2,000

3 Remuneration of directors and staff numbers

The directors did not receive any emoluments from the company during the period. The Company does not employ any staff.

4 Interest payable and similar charges

Period Ended
30 September
2005

£

Bank and loan note interest payable

9,961

Bank charges

1

9,962

Notes (continued)

5 Taxation

Period Ended
 30 September
 2005

UK corporation tax

Current tax on income for the period

£

43,787

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below

Current tax reconciliation

Period Ended
 30 September
 2005

£

Profit on ordinary activities before tax

181,321

Current tax at 30%

54,396

Small companies marginal relief

(10,609)

Total current tax charge (see above)

43,787

Notes *(continued)*

6 Debtors

30 September
2005

£

Third party trade debt	309,456
Amounts due from related parties	2,448
Taxation and social security	256
Other debtors and prepayments	84,250
	<u>396,410</u>

7 Creditors: amounts falling due within one year

30 September
2005

£

Bank loan	84,136
Amounts due to related parties	6,945
Accruals and deferred income	11,528
Corporation tax	43,787
	<u>146,396</u>

Notes (continued)

8 Creditors: amounts falling due after one year

30 September
2005

£

Fixed rate secured loan stock 2010

130,756

130,756

Analysis of debt:

30 September
2005

£

Debt can be analysed as falling due:

In one year or less, or on demand

84,136

In five years or more

130,756

214,892

The bank loan bears interest at two percent above LIBOR and is repayable in monthly instalments equivalent to seventy-five percent of the cash collected on the purchased third party trade debts.

The fixed rate secured loan stock held by various capital venture trusts managed by ISIS EP LLP and management is secured on the company's assets and carry an interest rate of nine percent.

9 Called up share capital

30 September
2005

£

Authorised, allotted, called up and fully paid

1,564,000 Ordinary shares of 0.1p each

1,564

1,750,000 A Ordinary share of 0.1p each

1,750

1,686,000 B Ordinary shares of 0.1p each

1,686

5,000

All equity shares have equal rights.

Notes *(continued)*

10 Profit and Loss account

	30 September 2005 £
At 20 December 2004	-
Profit for the period	<u>137,534</u>
At 30 September 2005	<u><u>137,534</u></u>

11 Reconciliation of movement in shareholders' funds

	30 September 2005 £
At 20 December 2004	-
New share capital subscribed	5,000
Profit for the period	<u>137,534</u>
At 30 September 2005	<u><u>142,534</u></u>

12 Related party disclosures

The company is affiliated to Credit Solutions Limited by way of common shareholders in the parent company of that business, The Crucible Group Limited. During the period, Credit Solutions Limited charged £61,463 for management services and commissions on debts collected. At the period end £6,945 of supplier liabilities were owed to Credit Solutions Limited.

At the period end £2,448 related party debtor was owed by The Crucible Group Ltd.

Notes (continued)

13 Analysis of cash flows

	2005 £	2005 £
Returns on investment and servicing of finance		
Interest paid		(9,962)
Financing		
Issue of ordinary share capital	5,000	
Bank loans due within one year	84,136	
Loan stock due after one year	<u>130,756</u>	
		219,892

14 Analysis of net debt

	At beginning of period £	Cash flow £	At end of period £
Cash at bank	-	23,276	23,276
Bank loan	-	(84,136)	(84,136)
Loan stock due after one year	-	(130,756)	(130,756)
	<hr/>	<hr/>	<hr/>
Total	-	(191,616)	(191,616)
	<hr/>	<hr/>	<hr/>

