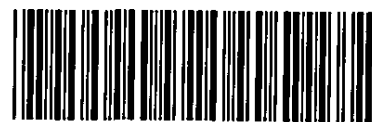


Company Registration No. SC303436

Macrocom (948) Limited

**Report and Financial Statements
for the year ended 31 December 2012**

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Macrocom (948) Limited

Report and financial statements 2012

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Macrocom (948) Limited

Report and financial statements 2012

Directors' report

The Directors present their report and audited financial statements of Macrocom (948) Limited ("the Company") for the year ended 31 December 2012.

Principal activities

The principal activity of the company during the year was that of a holding company.

Business review and results

The company did not trade during the current year with results occurring purely from interest payable and receivable arising on amounts due to and from fellow group companies during the year.

Proposed dividend

The Directors do not recommend the payment of a dividend (2011: £nil).

Financial risk management objectives and policies

Cash flow and credit risk

As described in note 10 to the financial statements, the Company is a member of the Cabot Credit Management group of companies (the "Group") and therefore its financial risk management and objectives and policies are intrinsically linked to those of the Group. Consolidated accounts for the Group are drawn up for Cabot Financial Limited and Cabot Credit Management Limited. The collection of defaulted consumer receivables carries a substantial amount of cash risk due to the underlying volatility in the collection characteristics of these assets.

To mitigate these risks the Group has developed, and continues to refine, detailed management reporting on individual portfolio performance and re-forecasts future collections on each portfolio on a monthly basis. Due to the long-term nature of the collection strategies employed, the Company will continue to be exposed to possible changes in legislation and economic trends.

To mitigate these risks, senior employees of the Group play an active role in trade and industry bodies to ensure that any changes in the legislative collections environment are monitored and assessed as soon as practically possible. To mitigate economic risk the Group does not generally enter into long-term fixed-price purchasing arrangements with a duration of more than one year.

Going concern and liquidity risk

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Business review of this report. The financial position of the Company and liquidity position are described in the financial statements on pages 6 to 12. The Company made a loss for the year before taxation of £165,000 (14 months to 31 December 2011: profit before taxation of £2,434,000), and had net current assets and a net surplus on shareholder's funds at 31 December 2012 of £2,338,000 (2011: £2,532,000).

The Company's financial position is dependent on the financial condition of the Group for the repayment of amounts due to the Company from fellow group undertakings and the net book value of shares in group undertakings. During the year to 31 December 2012 the Group completed a fundamental restructuring of its financing arrangements to benefit from an increase in the long-term funding available to the Group. In September 2012 the Group issued £265 million of Senior Secured Loan Notes due 2019 to increase its permanent financing structure, and secured a new senior committed revolving credit facility of £50 million which is not due for renewal until September 2017. The senior committed revolving credit facility is repaid at intervals of between one and three months or rolled forward at the discretion of the Group.

The proceeds from issue of the £265 million of Senior Secured Loan Notes due 2019 were used in part to repay the senior credit facilities in place at 31 December 2011 which were due to mature in February 2016. The amount repaid in September 2012 was £155.5 million and the facility was cancelled at that date.

The assets of the Company have been pledged as security for the Senior Secured Loan Notes due 2019 and the senior secured revolving credit facility.

Macrocom (948) Limited

Report and financial statements 2012

Directors' report (continued)

Financial risk management objectives and policies (continued)

Going concern and liquidity risk (continued)

The Group has remained compliant during the year to 31 December 2012 with all the covenants contained in the loan notes issued and senior credit facilities, and the Group's latest forecasts and cash flow projections have been reviewed and do not indicate any significant uncertainty over the Group's ability to operate within the requirements of the financing arrangements in place and therefore to continue as a going concern.

The Group's latest forecasts and cash flow projections have been reviewed in comparison to the loan facility terms and covenants and this has not indicated any significant uncertainty over the Group's ability to operate within the requirements of the renewed facility and therefore to continue as a going concern.

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 held office during the period, except as noted, were as follows:

N Clyne

S Mound

J D Randall (resigned 1 August 2012)

GP Crawford

C Ross-Roberts (appointed 24 July 2012)

Political and charitable contributions

The company made no political or charitable donations and incurred no political expenditure during the period.

Change of intermediate ownership structure

On 6 April 2011, the company's ultimate controlling party, AnaCap Financial Partners L.P., purchased Pall Mall Finance Limited, the ultimate controlling party of the Cabot Financial Group Limited group. The purchase was completed with the aim of merging the Apex Credit Management Holdings Limited and the Cabot Financial Group Limited groups.

As part of these transactions Macrocom (948) Limited sold the entire share capital of Apex Credit Management Limited for a consideration of £6,101k and the entire share capital of Apex Credit Management Funding Limited for a consideration of £1.

Auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Macrocom (948) Limited

Report and financial statements 2012

Directors' report (continued)

Approved by the Board of Directors on 14 February 2013 and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'C Ross-Roberts', is positioned above the printed name and title.

C Ross-Roberts
Director

25th March 2013

Macrocom (948) Limited

Report and financial statements 2012

Statement of Directors' responsibilities

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Macrocom (948) Limited

Independent auditor's report to the members of Macrocom (948) Limited

We have audited the financial statements of Macrocom (948) Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 Statement of Directors' Responsibilities, 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

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of the loss 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.

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.



Andrew Downes (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom

 March 2013

Macrocom (948) Limited

Report and financial statements 2012

Profit and loss account

for the year ending 31 December 2012

	<i>Notes</i>	2012 £'000	2011 £'000
Profit on disposal of investments		-	2,434
Operating profit		-	2,434
Interest receivable and similar income	3	1,153	-
Interest payable and similar charges	4	(1,318)	-
Profit / (loss) on ordinary activities before taxation	2	(165)	2,434
Tax on profit / (loss) on ordinary activities	5	(29)	35
Profit / (loss) for the year	9	(194)	2,469

The company has no recognised gains or losses and therefore no statement of recognised gains and losses has been presented.

The notes on pages 8 to 12 form part of the financial statements.

Macrocom (948) Limited

Report and financial statements 2012

Balance sheet

as at 31 December 2012

	<i>Notes</i>	2012 £'000	2011 £'000
Current assets			
Debtors	6	32,043	30,925
Creditors: Amounts falling due within one year	7	(29,705)	(28,393)
Net current assets		2,338	2,532
Net assets		2,338	2,532
Capital and reserves			
Called up share capital	8	50	50
Profit and loss account	9	2,288	2,482
Shareholders' funds	9	2,338	2,532

The notes on pages 8 to 12 form part of the financial statements.

These financial statements were approved by the board of directors on 14 February 2013 and were signed on its behalf by:



C Ross-Roberts
Director
25th March 2013

Company registration number: SC303436

Macrocom (948) Limited

Report and financial statements 2012

Notes to the financial statements

1 Accounting policies

The particular accounting policies adopted are summarised below. These have been applied consistently throughout the current and preceding year.

Basis of preparation

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

Cash flow statement

Under the provisions of FRS 1 (revised) "Cash flow statements" the company has not provided a cash flow statement. This is because the company is wholly owned subsidiary of Cabot Credit Management Limited.

Going concern and liquidity risk

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Business review of the Directors' report. The financial position of the Company and liquidity position are described in the financial statements on pages 8 to 12. The Company made a loss for the year before taxation of £165,000 (14 months to 31 December 2011: profit before taxation of £2,434,000), and had net current assets and a net surplus on shareholder's funds at 31 December 2012 of £2,338,000 (2011: £2,532,000).

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The proceeds from issue of the £265 million of Senior Secured Loan Notes due 2019 were used in part to repay the senior credit facilities in place at 31 December 2011 which were due to mature in February 2016. The amount repaid in September 2012 was £155.5 million and the facility was cancelled at that date.

The assets of the Company have been pledged as security for the Senior Secured Loan Notes due 2019 and the senior secured revolving credit facility.

The Group has remained compliant during the year to 31 December 2012 with all the covenants contained in the loan notes issued and senior credit facilities, and the Group's latest forecasts and cash flow projections have been reviewed and do not indicate any significant uncertainty over the Group's ability to operate within the requirements of the financing arrangements in place and therefore to continue as a going concern.

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.

Interest

Interest receivable and payable is recognised on an accrual basis.

Macrocom (948) Limited

Report and financial statements 2012

Notes to the financial statements (continued)

1 Accounting policies (continued)

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 substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those of which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Notes to the financial statements (continued)

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

2 Profit / (loss) on ordinary activities before taxation

The audit remuneration with respect to the Company's audit fees for the year was borne by the Company's immediate holding company, Cabot Credit Management Limited. The company had no employees during the year ended 31 December 2012 (2011: none). The company made no payments to the directors during the year (2011: £nil).

3 Interest receivable and similar income

	2012 £'000	2011 £'000
Interest receivable from group companies	1,153	-

The interest receivable during the year arises on amounts due to the Company from fellow group companies which were subsidiary undertakings of the Company until April 2011 at which point they were sold to Cabot Financial Debt Recovery Services Limited. No interest was receivable in respect of these balances during the year to 31 December 2011.

4 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable to group companies	1,318	-

The interest payable during the year arises on amounts due to the Company from fellow group companies which were subsidiary undertakings of the Company until April 2011 at which point they were sold to Cabot Financial Debt Recovery Services Limited. No interest was payable in respect of these balances during the year to 31 December 2011.

Macrocom (948) Limited

Report and financial statements 2012

Notes to the financial statements (continued)

5 Taxation

The tax charge / (credit) for the year comprises:

	2012 £'000	2011 £'000
Current tax		
Current tax charge	29	-
Group relief credit	-	(35)
Total current tax	<u>29</u>	<u>(35)</u>

The differences between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2012 £'000	2011 £'000
Profit/(loss) on ordinary activities before taxation	<u>(165)</u>	<u>2,434</u>
Tax on profit / (loss) on ordinary activities at standard UK corporation tax at 24.5% (2011: 26.7%)	(40)	650
Effects of:		
Expenses not deductible for tax purposes	-	(650)
Transfer pricing adjustment	<u>69</u>	<u>(35)</u>
Current tax charge / (credit) for the period	<u>29</u>	<u>(35)</u>

The transfer pricing adjustment relates to interest deemed for corporation tax purposes on an amount due from Cabot Financial Debt Recovery Services Limited, a fellow group company, to the Company arising from the purchase by Cabot Financial Debt Recovery Services Limited of former subsidiary companies of the Company in April 2011. No interest on the amount due from Cabot Financial Debt Recovery Services Limited is payable by that company and no amount has been included in the financial statements of the Company.

The Finance Act 2012, which reduced the main rate of UK corporation tax to 23% effective from 1 April 2013, was enacted on 17 July 2012. As this change in rate was substantively enacted prior to 31 December 2012 it has been reflected in the deferred tax assets and liabilities at 31 December 2012.

The UK Government has also indicated that it intends to enact future reductions in the main rate of UK corporation tax of 1% each year down to 22% by 2014. These changes have not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The estimated financial effect of these changes is not significant.

Macrocom (948) Limited

Report and financial statements 2012

Notes to the financial statements (continued)

6 Debtors

	2012 £'000	2011 £'000
Amounts owed by group undertakings	32,043	30,925

The directors believe the balance sheet value of these assets is not materially different to their fair value.

7 Creditors: Amounts falling due within one year

	2012 £'000	2011 £'000
Corporation tax	29	-
Amounts owed to group undertakings	29,676	28,393
	<u>29,705</u>	<u>28,393</u>

The directors believe the balance sheet value of these liabilities is not materially different to their fair value.

8 Called up share capital

	2012 £'000	2011 £'000
<i>Authorised:</i>		
75,000 ordinary shares of £1 each	75	75
<i>Allotted, called up and fully paid:</i>		
50,000 ordinary shares of £1 each	50	50

9 Reconciliation of movement in shareholders' funds

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2012	50	2,482	2,532
Loss for the year	-	(194)	(194)
At 31 December 2012	<u>50</u>	<u>2,288</u>	<u>2,338</u>

Macrocom (948) Limited

Report and financial statements 2012

Notes to the financial statements (continued)

10 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Apex Credit Management Holdings Limited, a company registered in England and Wales.

Until 6 April 2011 the Company's ultimate controlling party was AnaCap Financial Partners L.P., the principal shareholder of Apex Credit Management Holdings Limited.

On 6 April 2011 AnaCap Financial Partners L.P. purchased Pall Mall Finance Limited, the ultimate controlling party of the Cabot Credit Management Limited group. The purchase was completed with the aim of merging the Apex Credit Management Holdings Limited and the Cabot Credit Management Limited groups.

As part of these transactions Apex Credit Management Holdings Limited was purchased by Cabot Financial Limited, a company incorporated in Great Britain and registered in England and Wales, which is a wholly owned subsidiary of the Cabot Credit Management Limited. The smallest group of which the Company is a member and for which group financial statements are drawn up is Cabot Financial Limited and the largest is Cabot Credit Management Limited.

AnaCap Financial Partners L.P. has continued to be the company's ultimate controlling party since 7 April 2011.

11 Related party transactions

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose transactions or balances with entities which form part of the group as it is a wholly owned subsidiary of Cabot Credit Management Limited whose consolidated group accounts are publically available.