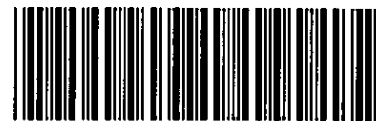


Financial Statements Response Credit Management Limited

For the 17 month period to 30 June 2009

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Company information

Company registration number	SC310139
Registered office	9 Charlotte Square Edinburgh EH2 4DR
Directors	Sir David E Murray M S McGill J D G Wilson G R Brown K M Geddes
Secretary	D W M Horne
Bankers	Bank of Scotland 4th Floor New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN
Solicitors	Dundas and Wilson CS Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

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Report of the directors

The directors present their report and the audited financial statements of the company for the seventeen month period to 30 June 2009.

Principal activities and business review

The principal activity of the company is the provision of credit management, trace and asset re-unification services.

During the period Response Credit Management Limited continued to develop capability and build a client base for its services. The company now has considerable experience and expertise which is opening up new opportunities.

The loss for the period, after taxation, amounted to £773,500 (2008 – loss of £177,405). No dividend was paid during the period.

Directors

The directors who served the company during the period were as follows:

Sir David E Murray
M S McGill (appointed 5 March 2009)
J D G Wilson
D G Wallace (resigned 31 January 2009)
G R Brown (resigned 12 October 2009)
K M Geddes

G R Brown held 5 ordinary shares in the company as at 30 June 2009 and 31 January 2008. These were sold to Response Handling on his resignation.

Directors' responsibilities

The directors are responsible for preparing 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.

Accounting Standards (United Kingdom 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 judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the directors (continued)

Directors' responsibilities (continued)

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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Grant Thornton UK LLP having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



D W M Horne
Secretary

28 April 2010

Report of the independent auditor to the members of Response Credit Management Limited

We have audited the financial statements of Response Credit Management Limited for the period to 30 June 2009 which comprise the accounting policies, profit and loss account, balance sheet and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Report of the independent auditor to the members of Response Credit Management Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2009 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Glasgow

28 April 2010

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. The financial statements were prepared on a going concern basis. Given the support of the Response Handling Limited Group, the directors are satisfied that the company has sufficient facilities for the foreseeable future.

The principal accounting policies of the company are set out below.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover is the total amount earned by the company for services provided, (excluding VAT and trade discounts) during the period.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office furniture & equipment - 20% - 33% straight line

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are recognised in the accounts of the surrendering undertakings.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. 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.

Accounting policies (continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

		Period from 1 st Feb 08 to 30 June 09 £	Period from 13 Oct 06 to 31 Jan 08 £
	Note		
Turnover	1	957,342	411,415
Cost of sales		(1,313,849)	(354,202)
Gross profit		(356,507)	57,213
Other operating charges	2	(667,984)	(311,303)
Operating loss	3	(1,024,491)	(254,090)
Interest receivable		3,143	1,026
Interest payable	6	(25,381)	(594)
Loss on ordinary activities before taxation		(1,046,729)	(253,658)
Tax on loss on ordinary activities	7	273,229	76,253
Loss for the financial period	17	(773,500)	(177,405)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

Balance Sheet

	Note	30 June 2009 £	31 January 2008 £
Fixed assets			
Tangible assets	8	62,951	52,567
Current assets			
Debtors	9	215,765	244,599
Cash at bank		262,354	—
		478,119	244,599
Creditors: amounts falling due within one year	10	(1,491,875)	(470,815)
Net current liabilities		(1,013,756)	(226,216)
Total assets less current liabilities		(950,805)	(173,649)
Provisions for liabilities			
Deferred taxation	11	—	(3,656)
Net liabilities		(950,805)	(177,305)
Capital and reserves			
Called-up share capital	16	100	100
Profit and loss account	17	(950,905)	(177,405)
Shareholders' deficit	18	(950,805)	(177,305)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on 28 April 2010 and are signed on their behalf by:



M S McGill
Director

Company No. SC310139

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	Period from 1 Feb 08 to 30 June 2009 £	Period from 13 Oct 06 to 31 Jan 08 £
United Kingdom	<u>957,342</u>	<u>411,415</u>

2 Other operating charges

	Period from 1 Feb 08 to 30 June 2009 £	Period from 13 Oct 06 to 31 Jan 08 £
Administrative expenses	<u>667,984</u>	<u>311,303</u>

3 Operating loss

Operating profit is stated after charging:

	Period from 1 Feb 08 to 30 June 2009 £	Period from 13 Oct 06 to 31 Jan 08 £
Depreciation of owned fixed assets	<u>18,305</u>	<u>113</u>

Audit fees are fully borne and disclosed within the parent company Response Handling Limited.

Notes to the financial statements (continued)

4 Staff costs

The average number of persons employed by the company during the financial period, including the directors, amounted to 41 (2008 - 38).

The aggregate payroll costs of the above were:

	Period from 1 Feb 08 to 30 June 2009 £	Period from 13 Oct 06 to 31 Jan 08 £
Wages and salaries	1,078,840	552,533
Social security costs	96,515	52,984
Other pension costs	14,225	9,886
	<u>1,189,580</u>	<u>615,403</u>

5 Directors emoluments

Remuneration in respect of directors was as follows:

	Period from 1 Feb 08 to 30 June 2009 £	Period from 13 Oct 06 to 31 Jan 08 £
Emoluments	182,869	93,638
	<u>182,869</u>	<u>93,638</u>

The number of directors to whom retirement benefits were accruing was as follows:

	No	No
Money purchase schemes	<u>1</u>	<u>2</u>

6 Interest payable and similar charges

	Period from 1 Feb 08 to 30 June 2009 £	Period from 13 Oct 06 to 31 Jan 08 £
Interest payable on bank borrowing	25,381	594
	<u>25,381</u>	<u>594</u>

Notes to the financial statements (continued)

7 Taxation on ordinary activities

(a) Analysis of credit in the period

	Period from 1 Feb 08 to 30 June 2009 £	Period from 13 Oct 06 to 31 Jan 08 £
Current tax:		
In respect of the period:		
Group relief	(269,573)	(79,909)
Total current tax	(269,573)	(79,909)
Deferred tax:		
Origination and reversal of timing differences	(3,656)	3,656
Tax on loss on ordinary activities	(273,229)	(76,253)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is the same as the standard rate of corporation tax in the UK of 28.23%.

	Period from 1 Feb 08 to 30 June 2009 £	Period from 13 Oct 06 to 31 Jan 08 £
Loss on ordinary activities before taxation	(1,046,729)	(253,658)
Loss on ordinary activities by rate of tax	(295,493)	(76,097)
Expenses not deductible for tax purposes	711	105
Capital allowances for period in excess of depreciation	(94)	(3,917)
Other short term timing differences	706	—
Unrelieved tax losses and other deductions	24,597	—
Total current tax (note 6(a))	(269,573)	(79,909)

Notes to the financial statements (continued)

8 Tangible fixed assets

	Office furniture & equipment £
Cost	
At 1 February 2008	52,680
Additions	28,689
At 31 January 2009	<u>81,369</u>
Depreciation	
At 1 February 2008	113
Charge for the period	18,305
At 31 January 2009	<u>18,418</u>
Net book value	
At 30 June 2009	<u>62,951</u>
At 31 January 2008	<u>52,567</u>

9 Debtors

	30 June 2009 £	31 January 2008 £
Trade debtors	115,058	131,986
Amounts owed by group undertakings	66,891	90,113
Other debtors	7,118	—
Prepayments and accrued income	26,698	22,500
	<u>215,765</u>	<u>244,599</u>

10 Creditors: amounts falling due within one year

	30 June 2009 £	31 January 2008 £
Bank overdraft	846,154	210,771
Trade creditors	33,073	37,196
Amounts owed to group undertakings	524,759	167,850
Other taxation and social security	4,748	5,018
Accruals and deferred income	34,885	49,980
Other creditors	48,256	—
	<u>1,491,875</u>	<u>470,815</u>

The bank overdraft is secured by bonds and floating charges over the company's assets.

Notes to the financial statements (continued)

11 Deferred taxation

The movement in the deferred taxation account during the period was:

	30 June 2009 £	31 January 2008 £
Balance brought forward	3,656	—
Profit and loss account movement arising during the period	(3,656)	3,656
Balance carried forward	—	3,656

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	30 June 2009 £	31 January 2008 £
Excess of taxation allowances over depreciation on fixed assets	—	3,656

12 Pension costs

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

13 Capital commitments

The company had no contracted capital commitments as at 30 June 2009 or 31 January 2008.

14 Contingent liabilities

The company has guaranteed bank borrowings of its ultimate holding company and certain fellow subsidiary undertakings. The total contingency at 30 June 2009 amounts to £448,043,462 (2008: £387,526,808).

The company is registered for VAT purposes in a group of undertakings which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group and failure by other members of the group would give rise to additional liabilities for the company. The directors are of the opinion that no liability is likely to arise from the failure of those companies.

15 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to report transactions within the group on the grounds that more than 90% of the voting rights of the company are controlled within the group and consolidated financial statements, which include the company, are publicly available.

Notes to the financial statements (continued)

16 Share capital

Authorised share capital:

	30 June 2009	31 January 2008
	£	£
1,000 ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid:

	30 June 2009		31 January 2008	
	No	£	No	£
	100	100	100	100

17 Profit and loss account

	30 June 2009	31 January 2008
	£	£
Balance brought forward	(177,405)	–
Loss for the financial period	(773,500)	(177,405)
Balance carried forward	(950,905)	(177,405)

18 Reconciliation of movements in shareholder's deficit

	30 June 2009	31 January 2008
	£	£
Share capital issued in period	–	100
Loss for the financial period	(773,500)	(177,405)
Net increase to shareholders' deficit	(773,500)	(177,305)
Opening shareholders' deficit	(177,305)	–
Closing shareholders' deficit	(950,805)	(177,305)

19 Parent undertakings

The company's immediate parent undertaking is Response Handling Limited, which is registered in Scotland. The ultimate holding company is Murray International Holdings Limited, which is also registered in Scotland.

The smallest group in which the results of the company are consolidated is that headed by the immediate parent undertaking, Response Handling Limited. The largest group in which the results of the company are consolidated is that headed by the ultimate holding company, Murray International Holdings Limited. Copies of these financial statements are available at 9 Charlotte Square, Edinburgh, EH2 4DR.

Notes to the financial statements (continued)

20 Ultimate controlling related party

Sir David E Murray, a director of the ultimate holding company, and members of his close family control the company as a result of controlling directly or indirectly 88% (2008 – 81%) of the issued share capital of the ultimate holding company.

21 Post balance sheet events

As set out in Note 19, the company's ultimate holding company is Murray International Holdings Limited, a company which is registered in Scotland. The largest and smallest group in which the results of the company are consolidated is that headed by the ultimate holding company whose principal place of business is at 9 Charlotte Square, Edinburgh, EH2 4DR. Copies of Murray International Holdings Limited financial statements are available from the above address.

On 21 April 2010, Murray International Holdings Limited and certain of its subsidiaries completed a financial restructuring, details of which are set out in the financial statements of Murray International Holdings Limited for the year ended 30 June 2009. A summary of the principal terms of this financial restructuring are set out below:

- (i.) Lloyds Banking Group has increased its equity interests in the Group, subscribing for approximately £150.0m of additional share capital and share premium in Murray International Holdings Limited while reducing debt levels by a similar quantum.
- (ii.) Following the issue of share capital, Sir David E. Murray and members of his close family continue to control the Company and the Group as a result of controlling, either directly or indirectly, 76% of the voting share capital of the issued share capital of the Company. This percentage was previously 88%.
- (iii.) Group borrowing facilities have been renewed with Lloyds Banking Group following completion of the financial restructuring. This has involved segregating the overall Group banking arrangement into a series of sub-facilities relevant and applicable to each of the Group's Divisions.
- (iv.) The Company forms part of the Group's Outsourcing Division comprising the following principal companies – Murray Outsourcing Limited, Response Handling Limited and Inisoft Limited. The companies in the Outsourcing Division no longer provide cross guarantees in respect of the remainder of the Group. Instead, these Divisions will in future only provide cross guarantees in respect of bank indebtedness within their own Division. As at 30 June 2009, the bank indebtedness under the revised cross guarantee structure was £nil; and
- (v.) The Group has acquired minority interests held in certain subsidiaries in the Group for nominal value.

The impact of these changes has been shown in the unaudited pro forma group balance sheet set out on the Directors' Report of the financial statements of Murray International Holdings Limited. This unaudited pro forma balance sheet highlights the effect on the 30 June 2009 balance sheet of Murray International Holdings Limited of the various steps outlined above as if they had taken place on 30 June 2009.