

PB RECOVERY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2008

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PB RECOVERY LIMITED

COMPANY INFORMATION

DIRECTORS

P S Chase-Gardener
J W Gannon

COMPANY SECRETARY

Jordan Company Secretaries Ltd

COMPANY NUMBER

5416109

REGISTERED OFFICE

21 St. Thomas Street
Bristol
BS1 6JS

AUDITOR

Baker Tilly UK Audit LLP
Registered Auditor and Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

BANKERS

Natwest
121 High Street
Oxford
OX1 4DD

Clydesdale Bank
2 Bishops Wharf
Walnut Tree Close
Guildford
Surrey
GU1 4UP

SOLICITORS

New Law LLP
Ross House
Scott Harbour
Cardiff Bay
Cardiff
CF10 4PJ

PB RECOVERY LIMITED

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PB RECOVERY LIMITED

DIRECTORS' REPORT for the year ended 31 December 2008

The Directors present their report and the financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company was that of an insolvency practice.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The business operated from London, Glasgow and Cardiff. The unit in Cardiff handled personal insolvency work, the Glasgow unit dealt with Trust Deeds as well as corporate work whilst the London unit concentrated on corporate work.

The main risks faced by the business related to the sourcing of new business leads, through advertising and referral, and the maintenance of the internal quality control systems in order to ensure that internal standards and the external perception of the business were maintained at the highest level. The business was monitored through a combination of key indicators including business leads generated, completed cases and work in progress.

Due to the business facing tough market conditions, a decision was made to sell the assets of the business, and as a consequence the WIP, debtors and other assets were sold to Synergi Partners Ltd, a wholly owned subsidiary of Debts.co.uk. The company ceased trading from 17/03/2008 and the sale took place on 18/03/2008.

DIRECTORS

The Directors who served during the year were:

P S Chase-Gardener
J W Gannon

PB RECOVERY LIMITED

DIRECTORS' REPORT for the year ended 31 December 2008 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's policy is to finance working capital through its own operations and also utilise the support offered by related undertakings. It is exposed to the usual credit risk and cash flow risk associated with trading on credit and manages this through credit control and treasury procedures.

LIQUIDITY RISK/CASHFLOW RISK

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs. The Group monitors cash flow using forecasting techniques to ensure that all liabilities will be met when due. As the company operates within the United Kingdom, the directors consider there is minimal exposure to currency risk.

INTEREST RISK

The company has no floating rate borrowings. Group monies are monitored to ensure that the minimum interest charges are paid.

CREDIT RISK

The principal credit risk for the company arose from its trade debtors as part of its insolvency operations. In order to manage credit risk the units incorporated credit control procedures to monitor debt levels, and to ensure that any debts were collected as soon as reasonable following contributions from clients to their client bank account and upon completion of their cases.

The company has no undrawn committed borrowing facilities at either 31 December 2007 or 31 December 2008.

RESULTS AND DIVIDENDS

The loss for the period was £1.307M (2007 - profit of £2.770M). No dividends have been recommended or paid during the year (2007 - £Nil).

EMPLOYEES

The company supports the principle of equal opportunities. Its policy is that there should be no unfair discrimination on the grounds of sex, age, religion or race. Equal employment opportunities are available to all persons, including the disabled, having full regard to their particular skills and abilities.

The directors believe in encouraging employees to become fully informed of the company's activities and to be more closely involved in the business, and provide ongoing training as necessary.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual 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). 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;

PB RECOVERY LIMITED

DIRECTORS' REPORT for the year ended 31 December 2008

- 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

PROVISION OF INFORMATION TO THE AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

AUDITOR

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

This report was approved by the board and signed on its behalf.



P S Chase-Gardener
Director

Date: 28 April 2009

PB RECOVERY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PB RECOVERY LIMITED

We have audited the financial statements of PB Recovery Limited for the year ended 31 December 2008, which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with 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 annual report and financial statements in accordance with applicable law and United Kingdom 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 Directors' report 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 Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT 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 judgments 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.

PB RECOVERY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PB RECOVERY LIMITED

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 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



BAKER TILLY UK AUDIT LLP

Registered Auditor and Chartered Accountants

Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

28 April 2009

PB RECOVERY LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

	Note	2008 £000	2007 £000
TURNOVER (FROM DISCONTINUED ACTIVITIES)	1	235	1,034
Administrative expenses		<u>(720)</u>	<u>(2,376)</u>
OPERATING LOSS	3	(485)	(1,342)
EXCEPTIONAL ITEMS			
Other exceptional items	5	<u>(822)</u>	<u>4,112</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,307)	2,770
Tax on (loss)/profit on ordinary activities	6	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	11	<u>(1,307)</u>	<u>2,770</u>

The notes on pages 8 to 13 form part of these financial statements.

All transactions arose from discontinued operations. There were no recognised gains and losses for 2008 or 2007 other than the result included in the profit and loss account.

PB RECOVERY LIMITED

BALANCE SHEET
as at 31 December 2008

	Note	£000	2008 £000	£000	2007 £000
FIXED ASSETS					
Tangible fixed assets	7		-		87
CURRENT ASSETS					
Debtors	8	-		1,338	
Cash at bank and in hand		-		113	
				<u>1,451</u>	
CREDITORS: amounts falling due within one year	9	-		(231)	
NET CURRENT ASSETS			-		1,220
TOTAL ASSETS LESS CURRENT LIABILITIES			-		1,307
CAPITAL AND RESERVES					
Called up share capital	10		-		-
Profit and loss account	11		-		1,307
SHAREHOLDER'S FUNDS	12		-		1,307

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P S Chase-Gardener
Director

Date: 28 April 2009

The notes on pages 8 to 13 form part of these financial statements.

PB RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice).

1.2 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.

1.3 TURNOVER

Turnover comprises insolvency fees charged, recognised by the company in respect of completed Individual Voluntary Arrangements (IVA's), Trust Deeds (Scotland only) and insolvency fees charged on corporate insolvency cases, exclusive of Value Added Tax and trade discounts.

Where work is performed over a period of time, turnover also includes the value of work executed on contracts, excluding VAT. Attributable profit is included within the profit and loss account when contracts have reached a stage where anticipated profitability can be reasonably determined. Full provision is made for all known or expected losses immediately such losses are forecast.

Accrued revenue representing un-invoiced turnover is included within 'prepayments and accrued income' and is recognised as the service time is recorded. It is recorded at selling price where a contractual right to consideration for the work performed exists. Provision is made for any time recorded which is not considered fully recoverable.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

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:

Fixtures & fittings	-	20%	straight line
Office equipment	-	20%	straight line
Computer equipment	-	33.3%	straight line

1.5 LEASING AND HIRE PURCHASE

Where applicable, assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account.

PB RECOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008**

1. ACCOUNTING POLICIES (continued)

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 PENSIONS

The company makes available to all employees a non contributing employer stakeholder pension scheme.

2. TURNOVER

The company's turnover and loss before taxation is derived from one class of business, being insolvency services, which originates wholly within the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging:

	2008	2007
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the company	9	54
Loss on disposal of assets	71	-
Operating lease rentals - other	-	14
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During the year, no Director received any emoluments (2007 - £NIL).

PB RECOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008**

4. STAFF COSTS

Staff costs were as follows:

	2008	2007
	£000	£000
Wages and salaries	215	1,328
Social security costs	21	124
	<u>236</u>	<u>1,452</u>

The average monthly number of employees, including any paid directors, during the year was as follows:

	2008	2007
	No.	No.
Administration and Management	<u>31</u>	<u>39</u>

Staff numbers for 2008 relate to the period until April 2008.

5. EXCEPTIONAL ITEMS

	2008	2007
	£000	£000
Group (debtor)/creditor written off	<u>(822)</u>	<u>4,112</u>

An amount of £822k due from (2007:£4,112k due to) a fellow subsidiary company, David & Co Consultants, has been written off during the year.

6. TAXATION

	2008	2007
	£000	£000
UK corporation tax charge on (loss)/profit for the year	<u>-</u>	<u>-</u>

No charge to corporation tax or deferred tax arises based on the results for the year (2007 - £nil).

PB RECOVERY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008**

FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

	2008	2007
	£000	£000
Profit/(Loss) on ordinary activities before tax.	(1,307)	2,770
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%)	(366)	831
Expenses disallowed for tax purposes	-	32
Depreciation charged in excess of capital allowances	16	17
Tax losses carried forward to future periods	120	341
Short term timing differences	-	13
Exceptional item disallowed for tax purposes	230	(1,234)
Total	-	-

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
COST				
At 1 January 2008	36	5	143	184
Disposals	(36)	(5)	(143)	(184)
At 31 December 2008	-	-	-	-
DEPRECIATION				
At 1 January 2008	10	2	85	97
Charge for the year	1	-	8	9
On disposals	(11)	(2)	(93)	(106)
At 31 December 2008	-	-	-	-
NET BOOK VALUE				
At 31 December 2008	-	-	-	-
At 31 December 2007	26	3	58	87

8. DEBTORS

	2008	2007
	£000	£000
Trade debtors	-	245
Prepayments & accrued income	-	1,083
Other debtors	-	10
Total	-	1,338

PB RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

**9. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£000	£000
Trade creditors	-	44
Amounts owed to related parties	-	53
Social security and other taxes	-	84
Accruals and deferred income	-	49
Other creditors	-	1
	<hr/>	<hr/>
	-	231
	<hr/>	<hr/>

10. SHARE CAPITAL

	2008	2007
	£000	£000
AUTHORISED		
1,000 Ordinary shares of £1 each	1	1
	<hr/>	<hr/>
ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary share of £1	-	-
	<hr/>	<hr/>

11. RESERVES

	Profit and loss account £000
At 1 January 2008	1,307
Loss for the year	(1,307)
	<hr/>
At 31 December 2008	-
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12. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS/(DEFICIT)

	2008	2007
	£000	£000
Opening shareholder's funds/(deficit)	1,307	(1,463)
(Loss)/profit for the year	(1,307)	2,770
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Closing shareholder's funds	-	1,307
	<hr/>	<hr/>

13. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2008 or 31 December 2007.

PB RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

14. CAPITAL COMMITMENTS

At 31 December 2008 the company had capital commitments as follows:

	2008 £000	2007 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>-</u>

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by the Financial Reporting Standard No.8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of the Brightside Group plc on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Minibus Direct Limited, a company registered in England and Wales.

The company's ultimate parent undertaking is Brightside Group plc, a company registered in England and Wales.

Consolidated financial statements are not prepared at a sub group level within Brightside Group plc, however consolidated financial statements are prepared for Brightside Group plc which include the results of PB Recovery Limited.

Copies of the consolidated financial statements of Brightside Group plc may be obtained from the registered office at Ground Floor, 17-19 Rochester Row, London, SW1P 1QT.

There is no ultimate controlling party.