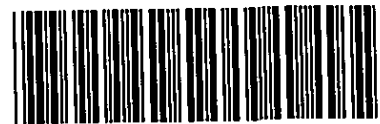


Report of the Directors and  
Financial Statements for the Year Ended 31 March 2013  
for  
Clanchatton Birmingham Limited

THURSDAY



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for the Year Ended 31 March 2013

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Clanchatton Birmingham Limited

Company Information

for the Year Ended 31 March 2013

**DIRECTORS:**

G Gilburd  
I Savage  
M J Harfield  
T Freeman

**SECRETARY**

Industrial & Commercial Consultancy Ltd

**REGISTERED OFFICE.**

Grosvenor House  
Prospect Hill  
Redditch  
Worcestershire  
B97 4DL

**REGISTERED NUMBER**

01221157 (England and Wales)

**AUDITORS**

Kenneth Morris Limited  
Statutory Auditors  
11 New Road  
Bromsgrove  
Worcestershire  
B60 2JF

**BANKERS.**

HSBC  
47 High Street  
Bromsgrove  
Worcestershire  
B61 8AW

Report of the Directors  
for the Year Ended 31 March 2013

The directors present their report with the financial statements of the company for the year ended 31 March 2013

**PRINCIPAL ACTIVITY**

The main activity of the company is the provision of debt collection and recovery services

**REVIEW OF BUSINESS**

On March 20th 2013 100% ownership of the Company's parent Recodebt Limited, passed to The Sigma Financial Group a company which has funds managed by Cyrus Capital partners as its majority shareholders

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements

**DIRECTORS**

The directors who have held office during the period from 1 April 2012 to the date of this report are as follows

M W Leech - resigned 20 March 2013

S Everett - resigned 20 March 2013

L Morris - resigned 20 March 2013

G Gilburd - appointed 20 March 2013

I Savage - appointed 20 March 2013

M J Harfield - appointed 20 March 2013

T Freeman - appointed 20 March 2013

**GROUP ACCOUNTS**

Consolidated accounts are not prepared on the basis that the group qualifies as small under the Companies Act 2006

**GOING CONCERN**

In considering the appropriateness of the going concern basis for the preparation of these financial statements, the directors have considered the working capital requirements of the company for the short, medium and longer term. They have reviewed the cash flow forecasts and considered the future funding requirements from the ultimate controlling party, funds managed by Cyrus Capital Partners LP.

The ultimate controlling party has confirmed their current intention to continue to provide finance to fund future trading and support the strategy although the precise quantum and timing of the support has not been agreed. Taking into account the indication of future support the directors have a reasonable expectation that the company will be able to continue as a going concern for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements. Therefore, the financial statements do not include any adjustments that would arise if the going concern basis of preparation were inappropriate.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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  
for the Year Ended 31 March 2013

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

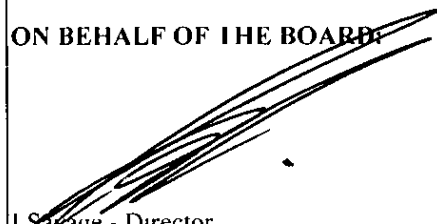
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Kenneth Morris Limited, will not seek reappointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to read 'I. Savage', is written over the text 'ON BEHALF OF THE BOARD'.

I Savage - Director

16 December 2013

Report of the Independent Auditors to the Members of  
Clanchatton Birmingham Limited

We have audited the financial statements of Clanchatton Birmingham Limited for the year ended 31 March 2013 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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**

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 Report of the Directors 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 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of  
Clanchatton Birmingham Limited

**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 Report of the Directors



R S Waller (Senior Statutory Auditor)  
for and on behalf of Kenneth Morris Limited  
Statutory Auditors  
11 New Road  
Bromsgrove  
Worcestershire  
B60 2JF

16 December 2013

**Profit and Loss Account**  
for the Year Ended 31 March 2013

	Notes	31 3 13 £	£	31 3 12 £	£
<b>TURNOVER</b>			3,744,845		3,653,114
Cost of sales			2,526,873		2,487,315
<b>GROSS PROFIT</b>			1,217,972		1,165,799
Distribution costs		55,365		95,475	
Administrative expenses		1,139,632		1,124,743	
			1,194,997		1,220,218
			22,975		(54,419)
Other operating income			6,000		6,000
<b>OPERATING PROFIT/(LOSS)</b>	2		28,975		(48,419)
Income from shares in group undertakings			-		1,650
			28,975		(46,769)
Interest payable and similar charges			25,139		21,425
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			3,836		(68,194)
Tax on profit/(loss) on ordinary activities	3		(2,416)		(914)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>			6,252		(67,280)

The notes form part of these financial statements



Clanchatton Birmingham Limited (Registered number 01221157)

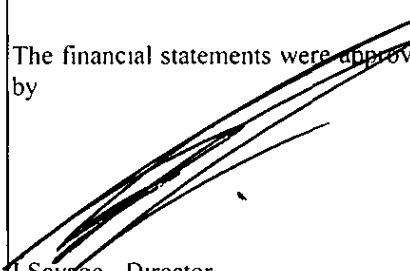
Balance Sheet

31 March 2013

	Notes	31 3 13 £	£	31 3 12 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		49,484		71,965
Investments	5		-		1
			<u>49,484</u>		<u>71,966</u>
<b>CURRENT ASSETS</b>					
Stocks		468		754	
Debtors	6	572,709		602,931	
Cash at bank and in hand		28,020		11,145	
		<u>601,197</u>		<u>614,830</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	7	544,834		583,585	
<b>NET CURRENT ASSETS</b>			<u>56,363</u>		<u>31,245</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			105,847		103,211
<b>PROVISIONS FOR LIABILITIES</b>	10		5,890		9,506
<b>NET ASSETS</b>			<u>99,957</u>		<u>93,705</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		100		100
Profit and loss account	12		99,857		93,605
<b>SHAREHOLDERS' FUNDS</b>			<u>99,957</u>		<u>93,705</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 16 December 2013 and were signed on its behalf by

 I Savage - Director

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 March 2013

**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

In considering the appropriateness of the going concern basis for the preparation of these financial statements, the directors have considered the working capital requirements of the company for the short, medium and longer term. They have reviewed the cash flow forecasts and considered the future funding requirements from the ultimate controlling party, funds managed by Cyrus Capital Partners LP.

The ultimate controlling party has confirmed their current intention to continue to provide finance to fund future trading and support the strategy although the precise quantum and timing of the support has not been agreed. Taking into account the indication of future support the directors have a reasonable expectation that the company will be able to continue as a going concern for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements. Therefore, the financial statements do not include any adjustments that would arise if the going concern basis of preparation were inappropriate.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Preparation of consolidated financial statements**

The financial statements contain information about Clanchatton Birmingham Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

**Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Improvements to property	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost and 25% on reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised where it is considered more likely than not that future profits will be available for offset. Deferred tax is measured on a non-discounted basis at the average tax rates that would apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted by the balance sheet date.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2013

1 **ACCOUNTING POLICIES - continued**

**Operating leases**

The relevant annual rentals are charged to the profit and loss account on a straight line basis over the lease term, unless they relate to vacant leasehold properties, in which case provision is made on a discounted basis for the net obligation under the lease. The unwinding of the discount is disclosed within interest payable and similar charges.

**Unidentified debtor payments**

The company banks all unidentified debtor payments to a suspense account. Any unclaimed amounts after 2 years are taken to the Profit and Loss account. Any amounts subsequently identified and reclaimed are charged to the Profit and Loss account when repaid.

**Investments**

Unlisted investments are included at cost value.

**Factored Debts**

Factored debts are included on the balance sheet within debtors. The proceeds received from the factor are included as secured liabilities. Factoring charges are recognised as they accrue and included within interest payable and similar charges.

2 **OPERATING PROFIT/(LOSS)**

The operating profit (2012 - operating loss) is stated after charging

	31 3 13	31 3 12
	£	£
Depreciation - owned assets	25,555	29,288
Auditors' remuneration	2,663	2,817
Pension costs	8,442	25,376
	<u>          </u>	<u>          </u>

Directors' remuneration and other benefits etc	-	-
	<u>          </u>	<u>          </u>

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

Money purchase schemes	3	3
	<u>          </u>	<u>          </u>

3 **TAXATION**

**Analysis of the tax credit**

The tax credit on the profit on ordinary activities for the year was as follows

	31 3 13	31 3 12
	£	£
Current tax		
UK corporation tax	1,200	-
Deferred tax	(3,616)	(914)
	<u>          </u>	<u>          </u>
Tax on profit/(loss) on ordinary activities	(2,416)	(914)
	<u>          </u>	<u>          </u>

UK corporation tax has been charged at 20%

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2013

3 **TAXATION - continued**

**Factors affecting the tax credit**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 3 13 £	31 3 12 £
Profit/(loss) on ordinary activities before tax	3,836	(68,194)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	767	(13,639)
Effects of		
Expenses not deductible for tax purposes	552	3,147
Depreciation in excess of capital allowances	3,617	4,636
Utilisation of tax losses	(4,936)	(1,200)
Group relief	-	6,726
Dividends from group companies	-	330
Tax on rents received	1,200	-
Current tax credit	1,200	-

4 **TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2012	128,346	394,577	64,471	587,394
Additions	-	-	3,074	3,074
At 31 March 2013	128,346	394,577	67,545	590,468
<b>DEPRECIATION</b>				
At 1 April 2012	111,472	358,676	45,281	515,429
Charge for year	3,374	5,385	16,796	25,555
At 31 March 2013	114,846	364,061	62,077	540,984
<b>NET BOOK VALUE</b>				
At 31 March 2013	13,500	30,516	5,468	49,484
At 31 March 2012	16,874	35,901	19,190	71,965

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2013

5 **FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 April 2012	1
Disposals	(1)
	<hr/>
At 31 March 2013	-
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 March 2013	-
	<hr/>
At 31 March 2012	1
	<hr/>

6 **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 13 £	31 3 12 £
Trade debtors	506,603	512,412
Other debtors	66,106	90,519
	<hr/>	<hr/>
	572,709	602,931
	<hr/>	<hr/>

7 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 13 £	31 3 12 £
Trade creditors	310,214	270,400
Amounts owed to group undertakings	122,971	6,028
Taxation and social security	116,258	118,542
Other creditors	(4,609)	188,615
	<hr/>	<hr/>
	544,834	583,585
	<hr/>	<hr/>

8 **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	31 3 13 £	31 3 12 £
Expiring		
Within one year	14,385	37,553
Between one and five years	-	184,000
In more than five years	-	25,000
	<hr/>	<hr/>
	14,385	246,553
	<hr/>	<hr/>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2013

9 SECURED DEBTS

The following security is charged

HSBC holds a debenture including fixed charge over all present freehold and leasehold property, First fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and first floating charge over all assets and undertaking both present and future dated 3 July 2002

Hitachi Capital holds a Debenture dated 1 February 2011 in respect of all monies due or to become due from the company

10 PROVISIONS FOR LIABILITIES

	31 3 13	31 3 12
	£	£
Deferred tax	<u>5,890</u>	<u>9,506</u>
		Deferred tax
		£
Balance at 1 April 2012		9,506
Credit to profit and loss account during year		<u>(3,616)</u>
Balance at 31 March 2013		<u>5,890</u>

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			31 3 13	31 3 12
Number	Class	Nominal value	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

12 RESERVES

	Profit and loss account
	£
At 1 April 2012	93,605
Profit for the year	<u>6,252</u>
At 31 March 2013	<u>99,857</u>

13 ULTIMATE PARENT COMPANY

Sig Master Limited (incorporated in Jersey) is regarded by the directors as being the company's ultimate parent company

The company has not prepared group accounts on the basis that the group qualifies as small

14 CONTINGENT LIABILITIES

There were no material contingent liabilities at the year end

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2013

15 RELATED PARTY DISCLOSURES

**Recodebt Limited**  
Parent company

During the year invoices were received for management charges of £307,260 and equipment hire of £110,000. At the year end the company owed Recodebt £22,820 shown as loan funds in note 7, plus £76,210 included in trade creditors, a total of £99,030 as shown below

	31 3 13	31 3 12
	£	£
Amount due to related party at the balance sheet date	99,030	84,238

**Sigma Financial Limited**  
Associated company

Loans to the value of £100,150 were received during the year

	31 3 13	31 3 12
	£	£
Amount due to related party at the balance sheet date	100,150	-

16 POST BALANCE SHEET EVENTS

There were no material post balance sheet events

17 ULTIMATE CONTROLLING PARTY

The ultimate parent and controlling parties are funds managed by Cyrus Capital Partners LP, a United States Partnership