
ROSSENDALES LIMITED

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

7/3/22
031



ROSSENDALES LIMITED

COMPANY INFORMATION

Directors	R J Shearer (resigned 5 June 2020) R Anderson M S Watson (appointed 5 June 2020)
Company secretary	Squire Patton Boggs Secretarial Services Limited
Registered number	01501584
Registered office	Rutland House 8th Floor 148 Edmund Street Birmingham B3 2JR
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Squire Patton Boggs (UK) LLP 6 Wellington Place Leeds LS1 4AP Travers Smith LLP 10 Snow Hill London EC1A 2AL

ROSSENDALES LIMITED
REGISTERED NUMBER: 01501584

BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	6	27	39
Tangible assets	7	70	163
		<u>97</u>	<u>202</u>
Current assets			
Debtors	8	39,997	26,158
Bank and cash balances		46	411
		<u>40,043</u>	<u>26,569</u>
Creditors: amounts falling due within one year	9	(41,767)	(28,538)
Net current liabilities		<u>(1,724)</u>	<u>(1,969)</u>
Total assets less current liabilities		<u>(1,627)</u>	<u>(1,767)</u>
Net liabilities		<u><u>(1,627)</u></u>	<u><u>(1,767)</u></u>
Capital and reserves			
Called up share capital		1	1
Capital redemption reserve	10	167	167
Profit and loss account	10	(1,795)	(1,935)
		<u>(1,627)</u>	<u>(1,767)</u>

For the year ending 31 May 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

ROSSENDALES LIMITED
REGISTERED NUMBER: 01501584

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2021

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

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M S Watson
Director

The notes on pages 3 to 12 form part of these financial statements.

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1. General information

Rossendales Limited ("the Company") is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:
Rutland House, 8th Floor
148 Edmund Street
Birmingham
B3 2JR

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of the Company is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the company operates.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Free Flow Topco Limited as at 31 May 2021 and these financial statements may be obtained from 12th Floor One America Square, London, United Kingdom, EC3N 2LS.

The following principal accounting policies have been applied:

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.3 Going concern

The directors have considered forecast financial performance, recoverability of assets and financial viability for the period extending at least 12 months from the date of approval of these financial statements and up to February 2023. This has included scenario analysis and stress testing in relation to Covid-19.

As a result, the directors have a reasonable expectation that there are adequate resources for the company to continue in operational existence for the foreseeable future, and have therefore adopted the going concern basis in preparing these financial statements.

The directors have considered the resources of the wider Free Flow Topco Group including confirmation of support available from them.

2.4 Turnover

Turnover comprises the invoiced value of services supplied by the company, fees collected and income accrued in respect of liability orders issued and debt collection cases worked. Turnover is exclusive of value added tax and trade discounts.

Turnover is recognised on:

- Liability order based cases completing the fixed fee compliance process where the fee has not been recovered in full. The turnover is calculated based on the number of open cases completing the compliance process less a provision for collection risk based upon historic collection levels.
- Debt collection cases placed in payment arrangements at the point a payment plan is established. The turnover is calculated as the fee for each case in arrangement less a provision for collection risk based upon historic collection levels.

No discounting for the time value of money is applied.

2.5 Operating lease

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.7 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	25 % reducing balance per annum
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2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Long-term leasehold property	- Straight line over length of lease
Fixtures and fittings	- 12.5% reducing balance per annum
Computer equipment	- 25% reducing balance per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2.15 Dividends

Dividends and other distributions to the companies shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

3. **Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

4. **Directors remunerations**

Remuneration of the Company's directors for the current and prior years was borne by other group undertakings.

5. **Taxation**

	2021 £000	2020 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(5)	(6)
Changes to tax rates	(12)	(3)
Adjustment in respect of previous periods	-	2
Total deferred tax	(17)	(7)
Tax (credit) on loss on ordinary activities	(17)	(7)

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	124	333
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	24	63
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3	4
Adjustments to tax charge in respect of prior periods	-	2
Tax rate changes	(12)	(3)
Group relief	(194)	(73)
Transfer pricing adjustments	162	-
Total tax (credit) for the year	(17)	(7)

Factors that may affect future tax charges

It was confirmed that from 1 April 2023, the corporation tax rate will increase from 19% to 25% and deferred taxes at the balance sheet date have been calculated using the rate of 19% up to 2023 and then at 25% thereafter.

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

6. Intangible assets

	Computer software £000
Cost	
At 1 June 2020	230
At 31 May 2021	<u>230</u>
Amortisation	
At 1 June 2020	191
Charge for the year on owned assets	12
At 31 May 2021	<u>203</u>
Net book value	
At 31 May 2021	<u>27</u>
At 31 May 2020	<u>39</u>

ROSSENDALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

7. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 June 2020	257	146	865	1,268
At 31 May 2021	257	146	865	1,268
Depreciation				
At 1 June 2020	197	128	780	1,105
Charge for the year on owned assets	19	6	68	93
At 31 May 2021	216	134	848	1,198
Net book value				
At 31 May 2021	41	12	17	70
At 31 May 2020	60	18	85	163

8. Debtors

	2021 £000	2020 £000
Due after more than one year		
Deferred tax asset	49	32
	49	32
Due within one year		
Trade debtors	101	268
Amounts owed by group undertakings	39,699	25,609
Other debtors	1	6
Prepayments and accrued income	147	243
	39,997	26,158

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

ROSSENDALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

9. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	80	167
Amounts owed to group undertakings	41,127	28,050
Other taxation and social security	292	214
Accruals and deferred income	268	107
	<u>41,767</u>	<u>28,538</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

10. Reserves

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents paid up share capital.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

11. Ultimate controlling party

Marston (Holdings) Limited is the immediate parent undertaking of Rossendales Limited. Marston (Holdings) Limited has included the Company in its group financial statements, copies of which are available from its registered office - Rutland House, 8th Floor, 148 Edmund Street, Birmingham, B3 2JR.

The smallest group of undertakings for which consolidated financial statements have been drawn up is that headed by Marston (Holdings) Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by the ultimate parent company and controlling party as at 31 May 2021, Free Flow Topco Limited. Consolidated accounts are available from 12th Floor One America Square, London, United Kingdom, EC3N 2LS.