

1st Collection Services Limited
(Formerly HSS Rental Services Limited)

Annual report and financial statements
Year ended 31 December 2011

Registered number 3541165



1st Collection Services Limited

(Formerly HSS Rental Services Limited)

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1st Collection Services Limited

(Formerly HSS Rental Services Limited)

Directors and advisers

Year ended 31 December 2011

Directors

J C Davies

J B Gill

Company secretary and registered office

Patrick Hartrey
1-3 Westinghouse Road
Trafford Park
Manchester
M17 1QP

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

1st Collection Services Limited

(Formerly HSS Rental Services Limited)

Directors' report

Year ended 31 December 2011

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011

Principal activities

1st Collection Services began to trade on 22 September 2011. The principal activity of the company is the administration of group trade debtors.

Results, review of business and future developments

The company is managed as part of a group of companies whose parent undertaking is Hero Topco Limited. The principal risks and uncertainties of the company are integrated with the principal risks and uncertainties of the group and are not managed separately.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue as a going concern for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the accounts. Further details are given in note 1 to the accounts.

The matters required to be disclosed in the business review, which include the key performance indicators and principal risks and uncertainties, are set out in the Annual Report of Hero Topco Limited. A copy of this Annual Report can be obtained from the Company Secretary, Hero Topco Limited, 40 Argyll Street, London, W1F 7EB.

The company's profit before tax was £56,000 (2010: £ nil).

Dividends

No interim dividends were paid or proposed during the year ended 31 December 2011 (2010: £ nil). The directors do not recommend the payment of a final dividend (2010: £ nil).

Directors

The directors of the company who served during the year ended 31 December 2011 are listed below:

J C Davies
J B Gill

Policy and practice on payment of creditors

It is the company's policy to agree the terms of payment at the start of business with a supplier. The company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The company does not have a standard or code which deals specifically with the payment of suppliers. At 31 December 2011 the company did not have any trade creditors.

Charitable and political donations

No charitable or political donations were made during the year (2010: £ nil). Hire equipment is made available to charitable organisations at reduced rates.

1st Collection Services Limited

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Directors' report (continued)

Year ended 31 December 2011

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 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,
- 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 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.

Directors' statement as to the disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

The auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

By order of the board

JBCW
Director
27 April 2012



1st Collection Services Limited

(Formerly HSS Rental Services Limited)

Independent auditors' report to the members of 1st Collection Services Limited (Formerly HSS Rental Services Limited)

We have audited the financial statements of 1st Collection Services Limited (formerly HSS Rental Services Limited) for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditors

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its profit 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year ended 31 December 2011 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, 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.



Douglas Lowson (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

27 April 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

1st Collection Services Limited

(Formerly HSS Rental Services Limited)

Profit and loss account

Year ended 31 December 2011

	Note	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Turnover	2	92	-
Cost of Sales		-	-
Gross profit		92	-
Administrative expenses		(36)	-
Total net operating expenses		(36)	-
Profit on ordinary activities before interest and taxation		56	-
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		56	-
Tax on profit on ordinary activities	3	(15)	-
Profit for the financial year		41	-

The results above relate entirely to continuing operations. There were no differences between the profit on ordinary activities before taxation and the profit for the year as stated above and their historical cost equivalents.

The company has no recognised gains and losses other than the results above and therefore no separate statement of recognised gains and losses has been presented. The notes on pages 8 to 10 form part of these accounts.

1st Collection Services Limited

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Balance Sheet

As at 31 December 2011

Registered number 3541165

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments		-	-
Current assets			
Debtors	4	56	
Creditors - amounts falling due within one year	5	(15)	-
Net current assets		<u>41</u>	-
Total assets less current liabilities		<u>41</u>	-
Net liabilities		<u><u>41</u></u>	-
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	<u>41</u>	-
Equity shareholders' surplus	8	<u><u>41</u></u>	-

The financial statements which comprise the profit and loss account, the balance sheet and the related notes were approved and authorised by the board of directors on 27 April 2012 and were signed on its behalf by

JB GILL
Director



1st Collection Services Limited

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Notes to the financial statements (continued)

Year ended 31 December 2011

1 Principal accounting policies

Accounting convention

The financial statements have been prepared in accordance with the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

In the prior year the directors took advantage of the option within the Companies Act 2006 to make their accounts up to a date 7 days either side of the company's accounting reference date and these accounts therefore cover the period from 2 January 2011 to 31 December 2011

Set out below is a summary of the more important accounting policies which have been applied consistently throughout the year

Basis of preparation

The directors have prepared the accounts on the going concern basis. In preparing the accounts on this basis, the directors have taken account of the following factors

The group's banking facilities mature between 2015 and 2016. The directors have prepared cash flow forecasts based on recent trading conditions and their current expectations of the group's future trading prospects for the forthcoming 12 months. These indicate that the group is expected to trade within its existing facilities and will meet all covenants as they fall due. Should turnover fall below forecasts thereby putting pressure on covenants, the directors have a number of mitigating actions available to them, including reducing capital expenditure, and the active management of working capital, as well as cost saving initiatives. Furthermore the directors have obtained confirmation from the major shareholders who are also holders of the D tranche bank debt that, if required, they would give appropriate support to enable the group to comply with the financial covenants.

After making enquiries, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Deferred taxation

Deferred taxation is provided on a full provision basis, without discounting, on all timing differences, which have arisen but not reversed, at the balance sheet date. Except where otherwise required by Accounting Standards, no timing differences are recognised in respect of

- (a) property revaluation surpluses where there is no commitment to sell the asset,
- (b) gains on sale of assets where those gains have been rolled over into replacement assets,
- (c) additional tax which would arise if profits of overseas subsidiaries were distributed, and
- (d) deferred tax assets except to the extent that it is more likely than not that they will be recovered

2 Operating profit

Operating profit is stated after charging / (crediting)

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Auditor's remuneration		
- audit of the company's annual accounts	<u>1</u>	<u>-</u>

The directors of the company were also directors of HSS Hire Service Holdings Limited, an intermediate parent company and other fellow subsidiaries. The directors do not believe it is practical to apportion this amount between their services as directors of the company and their service as directors of the intermediate parent company and fellow subsidiary companies and as such, their emoluments are disclosed as a whole in the accounts of HSS Hire Service Holdings Limited.

In the prior year the audit fee in respect of the company was borne by another group company.

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Notes to the financial statements (continued)

Year ended 31 December 2011

3 Tax on profit for the year

(a) Analysis of charge in the year

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Current tax		
UK corporation tax on the loss for the year	15	-
Adjustments in respect of prior years	-	-
Total current tax (note 3 (b))	15	-
Tax credit on loss on ordinary activities	15	-

(b) Factors affecting the tax charge in the year

The tax assessed on the profit for the year differs from the UK corporate rate of tax of 26.5% (2010 28%). The differences are explained below

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Profit on ordinary activities before tax	56	-
UK corporation tax at 26.5% (2010 28%) on profit on ordinary activities	15	-
Effects of		
Overprovision in respect of previous years	-	-
	15	-

(c) Factors that may affect future tax charge

The company does not have any unrecognised tax losses for the year ended 31 December 2011 (2010 £nil)

4 Debtors falling due within one year

	2011 £'000	2010 £'000
Receivable from group undertakings	56	-

5 Creditors falling due within one year

	2011 £'000	2010 £'000
Corporation tax	15	-
	15	-

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Notes to the financial statements (continued)

Year ended 31 December 2011

6. Share capital

	2011 No	2010 No	2011 No	2010 No
Issued, called up and fully paid				
Ordinary shares at £1 each	2	2	2	2

7 Statement of movements in reserves

	£'000
At 1 January 2011	-
Profit for the financial year	41
At 31 December 2011	41

8 Reconciliation of movement in shareholder's surplus

	2011 £'000	2010 £'000
Opening shareholder's surplus	-	-
Profit for the period	41	-
Closing shareholder's surplus	41	-

9 Ultimate holding company

At 31 December 2011, the company's immediate and ultimate holding company was Hero Topco Limited, also a company incorporated in Great Britain and registered in England and Wales. The group financial statements into which the financial statements of the company at 31 December 2011 have been consolidated are those of Hero Topco Limited group whose financial statements can be obtained from, The Company Secretary, 40 Argyll Street, London, W1F 7EB. The company's ultimate controlling party is Och-Ziff Capital Management Group.

10 Related party transactions

The company has exercised its right under the exemption granted by Financial Reporting Standard No 8, as a wholly owned subsidiary of Hero Topco Limited, not to disclose transactions with fellow members of the group. The financial statements of Hero Topco Limited are publicly available and can be obtained from, The Company Secretary, 40 Argyll Street, London, W1F 7EB.