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1st Collection Services Limited

**Annual report and financial statements
Year ended 31 December 2013**

Registered number 3541165



1st Collection Services Limited

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1st Collection Services Limited

Directors and advisers

Year ended 31 December 2013

Directors

J C Davies

J B Gill

Registered office

1-3 Westinghouse Road

Trafford Park

Manchester

M17 1QP

Auditors

BDO LLP

55 Baker Street

London

W1U 7EU

1st Collection Services Limited

Strategic report

Year ended 31 December 2013

Principal activities

The principal activity of the company is the administration of group trade debtors

Review of business and future developments

The directors are satisfied with the results for the year which are in line with expectations for the company and expect them to continue in the future

The company is managed as part of a group of companies whose parent undertaking is Havana 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.

The key business risks affecting the company are set out below

Competitor risk The group operates in a highly competitive market balancing both customer requirements and market pressures. The board review and monitor these factors to ensure the group's competitiveness.

Economic risk The group's trading is broadly linked to the underlying performance of the economies of both the UK and Ireland and is therefore exposed to recessionary risk when economies slow. To mitigate this risk, management regularly reviews market and research data for forecast movements in the economy.

Credit risk The group has implemented policies to manage potential credit risk before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed periodically. Management believe the policies and provisions in place adequately cover such risk.

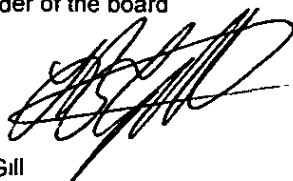
A more detailed review of the principal risks and uncertainties of the group are set out in the Annual Report of Havana Topco Limited. A copy of this Annual Report can be obtained from the Company Secretary, Havana Topco Limited, 12 Hennetta Street, London WC2E 8LH.

Results and KPIs

The directors consider the following to be the key performance indicators of the business: turnover, and profit before tax.

The company's turnover for the year was £0.4m (2012: £0.4m) and its profit before tax was £0.3m (2012: £0.2m).

By order of the board



J B Gill
Director
11 April 2014

1st Collection Services Limited

Directors' report

Year ended 31 December 2013

The directors present their report and the audited financial statements of the company for the year ended 31 December 2013

Directors

The directors of the company who served during the year ended 31 December 2013 are listed below

J C Davies

J B Gill

The company has arranged qualifying third party indemnity for all of its directors

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 company 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.

Dividends

No interim dividends were paid or proposed during the year ended 31 December 2013 (2012: £nil). The directors do not recommend the payment of a final dividend (2012: £nil).

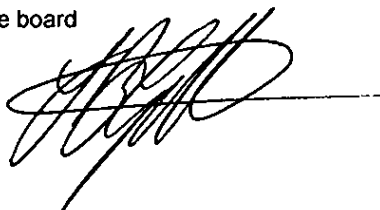
Post balance sheet events

There are no material or significant post balance sheet events.

Financial risk management

The information on financial risk management objectives and policies is included in the strategic report.

By order of the board



J B Gill

Director

11 April 2014

1st Collection Services Limited

Independent auditors' report to the members of 1st Collection Services Limited

We have audited the financial statements of 1st Collection Services Limited for the year ended 31 December 2013 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 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of the 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 strategic report and the directors' report for the financial year 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 by the company, 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.

BDO LLP

Douglas Lowson (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
11 April 2014

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

1st Collection Services Limited

Profit and loss account

Year ended 31 December 2013

		Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
	Note		
Turnover		429	380
Cost of sales		-	-
Gross profit		429	380
Administrative expenses		(134)	(148)
Operating profit		295	232
Profit on ordinary activities before interest and taxation		295	232
Interest receivable and similar income	5	17	6
Interest payable and similar charges	6	(3)	-
Profit on ordinary activities before taxation		309	238
Tax on ordinary activities		(72)	(58)
Profit for the financial period		237	180

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 for the current or prior year other than the results above and therefore no separate statement of recognised gains and losses has been presented. The notes on pages 8 to 12 form part of these accounts.

1st Collection Services Limited

Balance Sheet

Year ended 31 December 2013

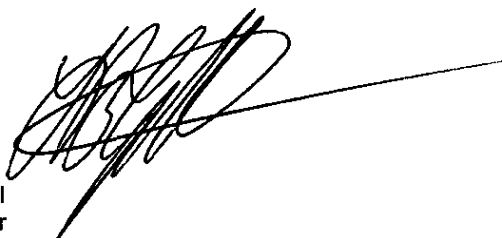
Registered number 3541165

		Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
	Note		
Current assets			
Debtors	8	606	294
Creditors - amounts falling due within one year	9	(148)	(73)
Net current assets		<u>458</u>	<u>221</u>
Total assets less current liabilities		<u>458</u>	<u>221</u>
Net assets		<u><u>458</u></u>	<u><u>221</u></u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	<u>458</u>	<u>221</u>
Equity shareholders' funds	12	<u><u>458</u></u>	<u><u>221</u></u>

The notes on pages 8 to 12 form part of these accounts

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 11 April 2014 and were signed on its behalf by

J B Gill
Director



1st Collection Services Limited

Notes to the financial statements

Year ended 31 December 2013

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

The directors have taken 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 30 December 2012 to 28 December 2013

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

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 in the foreseeable future

Turnover

Turnover represents the amounts receivable by the company in respect of services supplied, excluding value added tax. Revenue is recognised in line with the services provided when a right to consideration arises

Cash flow statement

The company has taken advantage of the exemption available under paragraph 5(a) of FRS 1 not to prepare a cash flow statement

1st Collection Services Limited

Notes to the financial statements (continued)

Year ended 31 December 2013

2 Operating profit

Operating profit is stated after charging

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Auditors' remuneration	2	2

3 Employees

(a) Staff costs

Staff costs (including directors) were as follows

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Wages and salaries	68	71
Social security costs	7	11
Other pension costs	1	1
	76	83

(b) Employee numbers

The average monthly number of persons employed by the group during the year, including directors, was as follows

	Year ended 31 December 2013 Number	Year ended 31 December 2012 Number
Administrative	4	4

4 Directors' emoluments

The directors of the company are also directors of HSS Hire Service Group Limited, the parent company and other fellow subsidiaries of the Havana Topco Group. 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 parent company and fellow subsidiary companies and as such, their emoluments are disclosed as a whole in the accounts of HSS Hire Service Group Limited.

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Notes to the financial statements (continued)

Year ended 31 December 2013

5 Interest receivable and similar income

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Receivable from group companies	17	6

6 Interest payable and similar charges

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Payable to group companies	3	-

7 Tax on profit for the year

(a) Analysis of charge in the year

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Current tax		
UK corporation tax charge on the profit for the year	72	58
Tax charge on ordinary activities	72	58

(b) Factors affecting the tax charge in the year

The tax assessed on the profit for the year differs from the standard UK corporation rate of tax. The differences are explained below.

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Profit on ordinary activities before tax	309	238
UK corporation tax at 23.25% (2012: 24.5%) on profit on ordinary activities	72	58

During the year the company received and has been charged for group relief to the net tax effect of £71,729 (2012: £58,395).

1st Collection Services Limited

Notes to the financial statements (continued)

Year ended 31 December 2013

8 Debtors

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Due from group undertakings	606	294

Amounts receivable from group entities are unsecured and repayable on demand with interest receivable based on LIBOR plus an agreed rate

9 Creditors amounts falling due within one year

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Due to group undertakings	148	73

Amounts payable to group entities are unsecured and repayable on demand with interest payable based on LIBOR plus an agreed rate

10 Share capital

	2013 No	2012 No	2013 £	2012 £
Issued, called up and fully paid				
A Ordinary shares at £1 each	2	2	2	2
	2	2	2	2

11 Movement in reserves

(a) Profit and loss account

	£'000
At 1 January 2013	221
Profit for the financial year	237
At 31 December 2013	458

12 Reconciliation of movements in equity shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	237	180
Net increase to equity shareholders' funds	237	180
Opening equity shareholders' funds	221	41
Closing equity shareholders' funds	458	221

1st Collection Services Limited

Notes to the financial statements (continued)

Year ended 31 December 2013

13 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with group companies which are 100% owned, on the basis that it is 100% controlled within the group and its parent company, Havana Topco Limited prepares consolidated financial statements which are publically available

14 Ultimate holding company

At 31 December 2013, the company's ultimate parent company was Havana Topco Limited, also a company incorporated in the United Kingdom. The financial statements of the company at 31 December 2013 have been consolidated into the Havana Topco Limited group whose financial statements can be obtained from The Company Secretary, 12 Henrietta Street, London, WC2E 8LH

By virtue of its majority shareholding, Havana Topco Limited is controlled by funds managed by Exponent Private Equity LLP