

**Company Registration No. 04618038**

**Marlin Financial Services Limited**

**Annual Report and Financial Statements**

**31 December 2010**

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# **Marlin Financial Services Limited**

## **Annual report and financial statements 2010**

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# **Marlin Financial Services Limited**

## **Officers and professional advisers**

### **Directors**

M Dunphy  
D J Page  
J Telford (appointed 5 May 2011)

### **Secretary**

J Telford

### **Registered Office**

Marlin House  
16-22 Grafton Road  
Worthing  
West Sussex  
BN11 1QP

### **Bankers**

Barclays Bank Plc  
Chapel Road  
Worthing  
West Sussex  
BN11 1EY

### **Independent auditor**

Deloitte LLP  
Chartered Accountants  
Crawley  
United Kingdom

# **Marlin Financial Services Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

### **Principal activity**

The principal activity of the company is that of debt recovery

### **Directors**

The directors who served throughout the year were as follows

M Dunphy

D J Page

### **Independent auditors and statement of provision of information to the independent auditor**

Each of the persons who is a director at the date of approval of this report confirms that

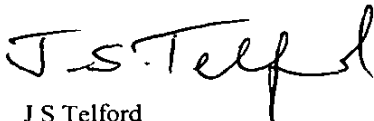
- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

These accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board of Directors  
and signed on behalf of the Board



J S Telford  
Director

19<sup>th</sup> October 2011

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## **Marlin Financial Services Limited**

### **Directors' responsibilities statement**

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). 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 judgments and accounting estimates that are reasonable and prudent, 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.

## **Independent auditor's report to the members of Marlin Financial Services Limited**

We have audited the financial statements of Marlin Financial Services Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 an auditors' 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**

As explained more fully in the Directors' Responsibilities Statement, 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**

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.

### **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 2010 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 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, 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 or take advantage of the small companies exemption in preparing the directors' report.



Darren Longley (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Crawley, United Kingdom

19 October, 2011

## **Marlin Financial Services Limited**

### **Profit and loss account**

**Year ended 31 December 2010**

	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
<b>Turnover</b>		5,461,518	4,443,097
Cost of sales		(981,587)	(655,472)
<b>Gross profit</b>		<u>4,479,931</u>	<u>3,787,625</u>
Administrative expenses		(3,735,264)	(3,424,946)
<b>Operating profit</b>	2	744,667	362,679
Other interest receivable and similar income		68	-
Interest payable and similar charges		(6,312)	(4,433)
<b>Profit on ordinary activities before taxation</b>		<u>738,423</u>	<u>358,246</u>
Tax on profit on ordinary activities	3	(145,270)	(208,535)
<b>Profit on ordinary activities after taxation for the financial year</b>	9	<u><u>593,153</u></u>	<u><u>149,711</u></u>

All the results for the current and prior years derive from continuing operations

There are no further recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account and as a result no statement of total recognised gains and losses is given

# Marlin Financial Services Limited

## Balance sheet 31 December 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	4	145,677	99,249
<b>Current assets</b>			
Debtors	5	4,241,130	3,502,826
Cash at bank and in hand - unrestricted	6	259,220	1,827
- restricted	6	4,820,978	1,040,685
		5,080,198	1,042,512
		9,321,328	4,545,338
<b>Creditors: amounts falling due within one year</b>	7	(7,329,406)	(3,100,141)
<b>Net current assets</b>		1,991,922	1,445,197
<b>Total assets less current liabilities</b>		2,137,599	1,544,446
<b>Net assets</b>		2,137,599	1,544,446
<b>Capital and reserves</b>			
Called up share capital	8	1,000	1,000
Share premium		249,600	249,600
Profit and loss account	9	1,886,999	1,293,846
<b>Total shareholders' funds</b>		2,137,599	1,544,446

These accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements of Marlin Financial Services Limited, registered number 04618038 were approved by the board of directors and authorised for issue on 19<sup>th</sup> October, 2011

Signed on behalf of the Board of Directors

*J. S. Telford*

J S Telford  
Director



# **Marlin Financial Services Limited**

## **Notes to the accounts**

### **For the year ended 31 December 2010**

#### **1. Accounting policies**

The principal accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial year

##### **Basis of preparation**

The financial statements are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **Accounting convention**

The financial statements are prepared under the historical cost convention

##### **Going concern**

The Directors believe that the company is well placed to manage its business risks successfully despite the current economic outlook

The directors have prepared a budget for the next year. Having reviewed this, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

##### **Turnover**

Turnover represents invoiced sales of commission services, excluding value added tax

##### **Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	20% straight line
Fixtures and fittings	Straight line over 7 years
Computer equipment	20% straight line
Computer software	Straight line over 3 years

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

# Marlin Financial Services Limited

## Notes to the accounts

### For the year ended 31 December 2010

#### 1. Accounting policies (continued)

##### Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### 2. Operating profit

	2010 £	2009 £
<b>Operating profit is stated after charging:</b>		
Depreciation and amortisation		
Owned assets	52,398	60,999
Leased assets	12,010	13,505
Loss on disposal of tangible assets	-	719
Operating lease rentals – other	226,679	193,892
Pension costs	94,009	83,017
Directors' emoluments and other benefits	43,826	267,935
	<u>          </u>	<u>          </u>
<b>The auditors remuneration was as follows:</b>		
Fees payable to the Company's auditors for the audit of the annual accounts	7,000	7,000
	<u>          </u>	<u>          </u>
Tax services	8,000	8,000
	<u>          </u>	<u>          </u>

There were no prepaid or accrued pension contributions at the year end (2009 – £nil)

#### 3. Tax on profit on ordinary activities

##### (a) Tax on profit on ordinary activities

	2010 £	2009 £
<b>Current tax</b>		
United Kingdom corporation tax at 28% (2009 – 28%) based on the profit for the period	145,270	208,535
	<u>          </u>	<u>          </u>

# Marlin Financial Services Limited

## Notes to the accounts

### For the year ended 31 December 2010

#### 4. Tangible fixed assets

	Plant and machinery £	Fixtures, and fittings £	Computer equipment £	Computer Software £	Total £
<b>Cost</b>					
At 1 January 2010	77,472	8,624	157,328	17,950	261,374
Additions	-	1,413	32,433	76,990	110,836
At 31 December 2010	77,472	10,037	189,761	94,940	372,210
<b>Accumulated depreciation</b>					
At 1 January 2010	51,117	5,374	101,500	4,134	162,125
Charge for the year	8,138	1,079	35,844	19,347	64,408
At 31 December 2010	59,255	6,453	137,344	23,481	226,533
<b>Net book value</b>					
At 31 December 2010	18,217	3,584	52,417	71,459	145,677
At 31 December 2009	26,355	3,250	55,828	13,816	99,249

#### 5. Debtors

	2010 £	2009 £
Trade debtors	200,503	255,883
Amounts owed by group undertakings	3,755,995	2,593,784
Other debtors	167,394	493,913
Prepayments and accrued income	117,238	159,246
	4,241,130	3,502,826

#### 6. Cash at bank and in hand

The Company is responsible for ensuring that all funds in the collections account are distributed in accordance with the relevant servicing agreement. These funds have therefore been classified as restricted. Where these amounts are to be paid over to third party lenders there are corresponding liabilities within other creditors. Where the amounts are due to group companies the creditors have been included within amounts owed to group undertakings.

# Marlin Financial Services Limited

## Notes to the accounts For the year ended 31 December 2010

### 7. Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	-	11,493
Trade creditors	441,725	581,479
Net obligations under finance leases	59,363	104,162
Amounts owed to group undertakings	4,764,445	1,351,127
Other creditors	839,448	567,987
Other taxes and social security	24,761	44,123
Corporation tax	323,557	152,535
Accruals and deferred income	876,107	287,235
	<u>7,329,406</u>	<u>3,100,141</u>

### 8 Called up share capital

	2010 £	2009 £
<b>Called up, allotted and fully paid:</b>		
610 (2009 – 610) ordinary share of £1 each	610	610
390 (2009 - 390) preferred shares of £1 each	390	390
	<u>1,000</u>	<u>1,000</u>

Both classes of share have equal rights and obligations to the company. The sole additional right for holders of preferred shares is to receive the return of their capital in priority to the company making any other distributions or dividend payments.

### 9. Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2010	1,293,846
Retained profit for the year	593,153
	<u>1,886,999</u>
Balance at 31 December 2010	<u>1,886,999</u>

## **Marlin Financial Services Limited**

### **Notes to the accounts**

### **For the year ended 31 December 2010**

#### **10. Financial commitments**

At 31 December 2010 the company had commitments under non-cancellable operating leases as follows

	<b>Land and buildings 2010 £</b>	<b>Land and buildings 2009 £</b>
<b>Leases which expire:</b>		
After five years	<u>145,125</u>	<u>145,125</u>

#### **11. Contingent liabilities**

All debts of the company are secured by a charge over the company held by Barclays Bank plc

#### **12. Share based payments**

A share based payment arrangement was established for certain senior employees of the company under the terms of a Black Tip Capital Holdings Limited shareholders agreement. Following the acquisition by Duke Street LLP, this scheme has now been closed down and rolled up into Marlin Financial Group Limited.

#### **13. Control and ultimate parent company**

Up until 31 March 2010, the ultimate parent company was Ascot Management Group Limited and the ultimate controlling party was Helen Dunphy who is the sole shareholder in Ascot Management Group Limited.

From 1 April 2010, the ultimate parent company is Marlin Financial Group Limited and the controlling party is Duke Street Holdings Limited.

The immediate parent company is Black Tip Capital Holdings Limited.

#### **14. Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by a parent company.

The largest and smallest group in which the results of the company are consolidated is that headed by Marlin Financial Group Limited. Copies of the accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.