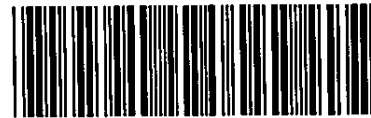


Aldermore Holdings Limited

Financial Statements for the year ended 31 December 2011

Registered number 01052150

WEDNESDAY



A16NR4ZN

A19

11/04/2012

#361

COMPANIES HOUSE

Company Information

Directors

Phillip Monks

Peter Cartwright

Finlay McFadyen

Secretary

Dionne Baldwin

Registered Office

1st Floor Block B

Western House

Lynch Wood

Peterborough

PE2 6FZ

Auditors

KPMG Audit Plc

1 The Embankment

Neville Street

Leeds

LS1 4DW

Registered number

01052150

Contents	Page
Directors' report	3
Statement of Directors' Responsibilities	4
Independent Auditor's report	5 - 6
Profit & loss account and balance sheet	7
Notes to the financial statements	8 - 11

Directors' Report

The directors present their report and the financial statements of Aldermore Holdings Limited ('the Company') for the year ended 31 December 2011

Results and dividends

The Company is a holding company and did not trade during the year and therefore did not incur any income or expenditure. The directors do not recommend the payment of a dividend in respect of the year (2010 £Nil)

Principal activities and review of business

The Company is a holding company for Aldermore Bank PLC ('the Bank'). The Bank is authorised to accept deposits under the Financial Services & Markets Act 2000. The principal activity of the Bank is the provision of banking services. The Bank's country of incorporation is England.

Capital injections

The Company's immediate and ultimate holding company is AC Acquisitions Limited. During 2011 capital injections were made by AnaCap Financial Partners, L P, AnaCap Financial Partners II, L P, AnaCap Derby Co-Investment (No 1) L P and AnaCap Derby Co-Investment (No 2) L P in the share capital of AC Acquisitions Limited. During 2011 £77.9 million was invested in the Company which in turn invested in equity share capital of the Bank.

Directors

The directors who served during the year were as follows:

Phillip Monks

Peter Cartwright

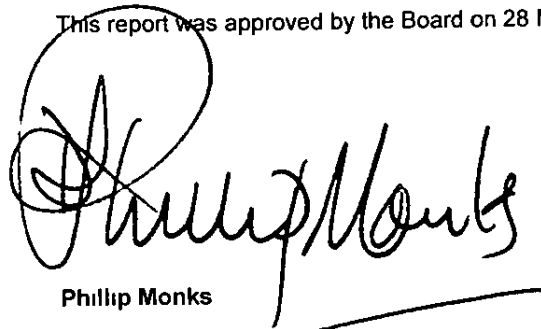
Finlay McFadyen

Certain directors benefited from qualifying third party indemnity provisions in place during the year ended 31 December 2011 and at the signing date of these financial statements.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 28 March 2012 and was signed on its behalf by



Phillip Monks
Director

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

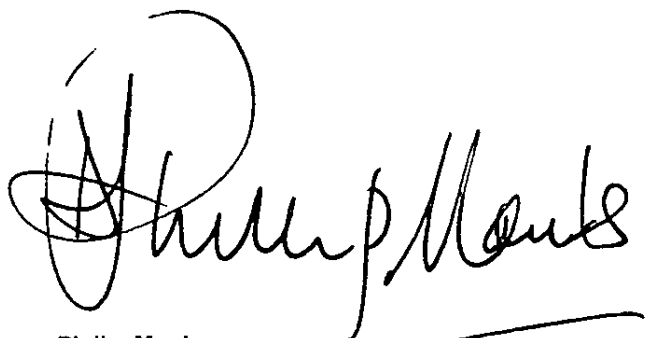
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 Bank 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

This report was approved by the Board on 28 March 2012 and was signed on its behalf by

A handwritten signature in black ink, appearing to read 'Phillip Monks', written over a horizontal line.

Phillip Monks
Director

Independent Auditor's report to the members of Aldermore Holdings Limited

We have audited the financial statements of Aldermore Holdings Limited for the year ended 31 December 2011 set out on pages 7 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, 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.

Aldermore Holdings Limited

Financial statements for the year ended 31 December 2011

Independent Auditor's report to the members of Aldermore Holdings Limited (continued)



J L Ellacott (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

1 The Embankment

Neville Street

Leeds

LS1 4DW

28 March 2012

Profit and loss account

During the financial year and previous financial year, the Company did not trade or receive any income and incurred no expenditure. Consequently, during those years, the Company made neither a profit nor a loss and therefore no profit and loss account and no statement of recognised gains and losses has been prepared. The results for the year are derived entirely from continuing activities.

Balance sheet as at 31 December 2011

	Note	2011	2010
		£'000	£'000
Investment in subsidiary	4	<u>171,491</u>	<u>96,082</u>
Current assets			
Cash at bank – deposit with subsidiary undertaking		1,000	1,000
Other assets – receivable from subsidiary undertaking		<u>588</u>	<u>-</u>
		1,588	1,000
Current liabilities			
Accruals – payable to parent company		<u>(588)</u>	<u>-</u>
Net assets		<u>172,491</u>	<u>97,082</u>
Capital and reserves			
Called up share capital	5	511	511
Share premium account	6	170,979	95,570
Profit and loss account	6	<u>1,001</u>	<u>1,001</u>
Shareholder's funds	7	<u>172,491</u>	<u>97,082</u>

These financial statements were approved by the board of directors on 28 March 2012 and were signed on its behalf by



Philip Monks
Director

Registered number 01052150

The notes and information on pages 8 to 11 form part of these financial statements

Notes to the financial statements

1 Accounting policies

a) Accounting basis

The financial statements are prepared under the historical cost convention and are in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which has been applied consistently

b) Going concern

The financial statements have been prepared on a going concern basis. The directors believe that they have a reasonable expectation that the Company has adequate resources to continue to trade at current levels for the 12 months from the date these financial statements are approved. The AC Acquisitions Limited Group has a robust balance sheet, a strong platform for growth and is actively supported by its investors. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

c) Consolidation

The Company has taken advantage of the exemption, allowed under section 400 of the Companies Act 2006, not to prepare group accounts as it is a wholly owned subsidiary of AC Acquisitions Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of AC Acquisitions Limited.

d) Cash flow statement

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cashflow statement on the grounds that its ultimate parent company, AC Acquisitions Limited, includes the Company in its own published consolidated financial statements.

e) Investments in subsidiaries

Investments in subsidiaries are initially recognised at cost. The Company recognises income from an investment only to the extent that it receives distributions from post-acquisition accumulated profits. Distributions received in excess of such profits are regarded as a recovery of investment and recognised as a reduction in the cost of the investment. At each reporting date, an assessment is made as to whether there is any indication that the investment may be impaired. If such an indication exists, the company estimates the investment's recoverable amount. The investment is written down to the recoverable amount if this is lower than its carrying value. The impairment loss is recognised in the profit and loss account within other operating expenses.

Notes to the financial statements (continued)

Accounting policies (continued)

(f) Taxation

Corporation tax payable is provided on taxable profits at the current rate

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

(g) Capital raising costs

Costs directly incremental to the raising of share capital are netted against the share premium accounts.

2 Staff costs

The Company has not traded during the year and has made neither a profit nor a loss. The directors of the Company are employed by Aldermore Bank PLC. There were no employees during the year ended 31 December 2011 (31 December 2010: nil).

3 Profit and loss account

The audit fees of £5,000 (2010: £5,000) for the Company are borne by the Company's subsidiary, Aldermore Bank PLC, and are not recharged to the Company.

Notes to the financial statements (continued)

4 Investment in subsidiary

	2011 £'000
Cost	
1 January 2011	96,082
Invested in Aldermore Bank PLC	77,935
Capital raising costs	(2,526)
	<u>171,491</u>
At 31 December 2011	<u>171,491</u>
Impairment	
31 December 2011	<u>-</u>
Net book value at 31 December 2011	<u>171,491</u>

The Company owns 99.9% of the issued ordinary share capital of Aldermore Bank PLC. During the year to 31 December 2011 the Company invested £77.9 million in Aldermore Bank PLC.

5 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	511,253	511,250
Shares issued during year	6	3
	<u>511,259</u>	<u>511,253</u>

During the year six ordinary shares of £1 each were issued for a total of £77,934,926 creating £77,934,920 share premium. At 31 December 2011 allotted, called up and fully paid shares total 511,259.

6 Reconciliation of movements in reserves

	Share premium account £'000	Profit and loss account £'000
1 January 2011	95,570	1,001
Profit for the year	-	-
Shares issued during year	77,935	-
Capital raising costs	(2,526)	-
31 December 2011	<u>170,979</u>	<u>1,001</u>

Notes to the financial statements (continued)**7 Reconciliation of movements in shareholder's funds**

	2011	2010
	£'000	£'000
Profit for the year	-	-
Shares issued during the year	77,935	48,297
Net additions to shareholder's funds	77,935	48,297
Capital raising costs	(2,526)	(966)
Opening shareholder's funds	97,082	49,751
Closing shareholder's funds	172,491	97,082

8 Related parties

The Company has taken advantage under Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with members of the AC Acquisitions Limited Group on the grounds that it is a 100% subsidiary of AC Acquisitions Limited and the Company is included in consolidated financial statements published by AC Acquisitions Limited

9 Ultimate parent company

The immediate and ultimate parent company is AC Acquisitions Limited, a private limited company incorporated in England and Wales. AC Acquisitions Limited is controlled by AnaCap Derby Co-Investment (No 1) L P (27%), AnaCap Derby Co-Investment (No 2) L P (23%), AnaCap Financial Partners, II L P (25%) and AnaCap Financial Partners, L P (23%)

Consolidated accounts are prepared by AC Acquisitions Limited and copies are available to the public from AC Acquisitions Limited's registered office c/o Aldermore Bank PLC, Fourth Floor, APEX Plaza, Forbury Road, Reading, Berkshire, RG1 1AX