

REGISTERED NUMBER 03621089 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009
FOR
CONSUMER FINANCE HOLDINGS LIMITED**

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CONSUMER FINANCE HOLDINGS LIMITED
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FOR THE YEAR ENDED 31 MARCH 2009

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CONSUMER FINANCE HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2009**

DIRECTORS: M McDermott
J Traynor
Wilmington Trust SP Services
(London) Limited

SECRETARY: Wilmington Trust SP Services
(London) Limited

REGISTERED OFFICE: Fifth Floor
6 Broad Street Place
London
EC2M 7JH

REGISTERED NUMBER: 03621089 (England and Wales)

AUDITORS: PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

CONSUMER FINANCE HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report with the financial statements of the company for the year ended 31 March 2009

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of a holding company. The British Credit Trust group is engaged in the provision of consumer and commercial finance and related services.

In 2008, the group's funding providers signalled their intentions to de-lever, as a result of the global credit crisis, and consequently the level of new originations has decreased materially in the financial year. Facility amendments were completed shortly after the financial year end, extending the committed funding facilities available to the group to February 2010, albeit at a lower level of originations than previously. On 31 March 2010 the group's funding providers agreed, subject to certain conditions, to further extend the maturity of this funding to 31 March 2011 although no new business would be funded.

The group is looking to raise additional investment to recapitalise and to fund new business. If it is unable to do this by 30 June 2010 then the funding providers have the right to transfer the servicing of the loan books from the group to an alternative service provider after giving 3 months notice.

REVIEW OF BUSINESS

The company has operated in its capacity as a holding company for the British Credit Trust Group and will continue to do so in the future.

DIVIDENDS

The company made a loss of £10,085 during the year (2008: loss £10,085). No dividends will be distributed for the year ended 31 March 2009.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 2008 to the date of this report.

The beneficial interests of the directors holding office at 31 March 2009 in the shares of the company, according to the register of directors' interests, were as follows:

	31 3 09	1 4 08
Ordinary £1 shares of £1 each		
M McDermott	-	-
J Traynor	-	-
Wilmington Trust SP Services (London) Limited	10	10

These directors did not hold any non-beneficial interests in the shares of the company.

Wilmington Trust SP Services (London) Limited own 100% of the ordinary share capital of the company under a declaration of trust for charitable beneficiaries.

None of the directors received any remuneration for their services to the company apart from Wilmington Trust SP Services (London) Limited under the terms of a Corporate Services Agreement, receiving £6,000 (2008: £6,000 plus VAT) for their services during the year.

FINANCIAL RISK MANAGEMENT

The company faces no significant financial risks but does have risk related to its reliance upon the technology employed to manage its collection processes. Risks are mitigated by the development of back up servicer arrangements and business continuity processes.

GOING CONCERN

For reasons more fully explained in note 1 to the financial statements, the directors consider that the going concern basis remains appropriate.

POST BALANCE SHEET EVENTS

The group's principal lenders amended and restated funding agreements after the financial year end, on 01 May 2009. Under the revised terms, which expired on 16 February 2010, Barclays Bank Plc, Merrill Lynch International Bank Limited and The Royal Bank of Scotland Plc as senior lenders, agreed to fund purchases of receivables by the group, albeit at a lower level of origination than previously such that the senior loan facilities were subject to accelerated repayment. The subordinated lender has undertaken to de-lever the senior lender down to an agreed advance rate. On 31 March 2010 the group's funding providers agreed, subject to certain conditions, to further extend the maturity of this funding to 31 March 2011 although no new business would be funded.

CONSUMER FINANCE HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD:



Martin McDermott
Director

Date 15th April 2010

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CONSUMER FINANCE HOLDINGS LIMITED**

We have audited the financial statements of Consumer Finance Holdings Limited for the year ended 31 March 2009 which comprise the profit and loss account the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Company Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CONSUMER FINANCE HOLDINGS LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

Date 16 April 2010

CONSUMER FINANCE HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
TURNOVER		-	-
Administrative expenses		<u>10,085</u>	<u>10,085</u>
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(10,085)	(10,085)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(10,085)</u>	<u>(10,085)</u>

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the previous year

The notes form part of these financial statements

CONSUMER FINANCE HOLDINGS LIMITED

**BALANCE SHEET
31 MARCH 2009**

	Notes	2009 £	2008 £
FIXED ASSETS			
Investments	5	9	9
CURRENT ASSETS			
Cash at bank		1	1
CREDITORS			
Amounts falling due within one year	6	<u>90,794</u>	<u>80,709</u>
NET CURRENT LIABILITIES		<u>(90,793)</u>	<u>(80,708)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(90,784)</u>	<u>(80,699)</u>
CAPITAL AND RESERVES			
Called up share capital	7	10	10
Profit and loss account	8	<u>(90,794)</u>	<u>(80,709)</u>
SHAREHOLDERS' FUNDS	9	<u>(90,784)</u>	<u>(80,699)</u>

The financial statements were approved by the Board of Directors on 15th April 2010 -and were signed on its behalf by



Martin McDermott
Director

The notes form part of these financial statements

CONSUMER FINANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

I ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies which have been applied consistently unless otherwise stated, is set out below.

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Deferred tax

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

Basis of accounting

The financial statements are prepared under the historical cost convention.

Consolidated accounts

Consolidated accounts of the company and its directly and indirectly held subsidiaries have not been presented as although the company holds all of the issued equity shares in its subsidiaries, the directors consider that there are severe long term restrictions over the ability to exercise the rights to manage these companies as subsidiaries such that the company does not have effective control over its subsidiaries. Citigroup Capital UK Limited holds warrants to subscribe for ordinary shares in Consumer Finance Acquisitions Company Limited, the direct subsidiary of the company and the intermediate parent of the other companies indirectly held by the company. On exercise these warrants would make Citigroup Capital UK Limited the majority shareholder, and the directors consider this gives it effective control of the company's subsidiaries as detailed in note 5.

Cash flow statement

The company is a small company and has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1.

Going concern basis of preparation

The financial statements have been prepared on the going concern basis, although the company has net liabilities of £90,784 at 31 March 2009. All expenses are funded by a subsidiary company and included in the Amounts owed to group undertakings within Creditors. The directors have received confirmation from Citigroup Capital UK Limited, the controlling party of the company's direct subsidiary, that the group creditor balance will not be required to be repaid for at least the next 12 months following the date of approval of these financial statements.

The directors also note that the directors of the company's direct subsidiary, Consumer Finance Acquisitions Company Limited, have made the following disclosure regarding its going concern status:

A subsidiary of the company, British Credit Trust Limited ("BCT"), sells the consumer auto loans that it originates to special purpose entities (SPEs) that are funded by Merrill Lynch, Barclays Bank and The Royal Bank of Scotland.

All these funders experienced well-publicised liquidity issues in the credit crunch in 2008 and they made clear that, given their respective financial positions, they would not continue lending at previous levels. Following negotiations with the funders in May 2009 the maturity date of their respective facilities was extended to February 2010. The terms of the amended agreement provided for the accelerated amortisation of the lenders facility and, amongst other things:

- (a) temporarily restricted the obligation of BCT Limited to fund the buy back of delinquent loans to the surplus cash available from the waterfall that was attributable to BCT Limited until the end of the term of the facility at which time BCT Limited would be obliged to buy back any delinquent loans, and
- (b) restricted the obligation of the SPEs to accelerate amortisation of the facilities to the cash available in the SPEs.

The SPEs also have to comply with certain financial covenants as part of the agreement. The receivables portfolio will continue to reduce as regular payments and settlements are received and delinquent assets are bought back by BCT Limited. This will be reflected in a reduction in the outstanding funding levels provided by the senior lender.

On 31 March 2010 the group's funding providers agreed, subject to certain conditions, to further extend the maturity of this funding to 31 March 2011 although no new business would be funded. The receivables portfolio will continue to reduce as regular payments and settlements are received. This will be reflected in a reduction in the outstanding funding levels provided by the senior lender such that the balances are required to be reduced to £56m by 31 March 2011.

The group is looking to raise additional investment to recapitalise and to fund new business. If the group is unable to obtain a minimum of £80m of new investment of which not less than 30% is provided by way of equity and/or subordinated debt, by 30 June 2010 then the funding providers have the right to transfer the servicing of the loan books from the group to an alternative service provider by giving 3 months notice of this intention. This would curtail the operations of the group, but it will not in itself directly threaten the operational existence of the group, because the obligations to each funder are ring-fenced within their respective funding vehicles, and in accordance with the amended funding terms there will be no recourse to BCT Ltd for delinquent loans.

The amended funding terms also provide for further acceleration of the repayment of the senior funding facilities and an increased margin on the loan facilities in return for which the servicing provider, British Credit Trust Holdings Limited, will retain a cash reserve sufficient to fund agreed operational costs for an agreed period and increased monthly servicing fees per customer account.

The directors believe the group has sufficient cash to discharge its servicing obligations effectively.

The directors have considered cash flow projections, based on the amended funder agreements, which demonstrate that the group has sufficient funds to enable it to meet its obligations for a period of at least 12 months from the date of approval of these financial statements.

The directors also note that the Group has net liabilities as at 31 March 2009 of £79.6m and, while the Group has sufficient funds to be able to continue to trade for at least the next 12 months, it is currently unlikely that all creditors, and particularly the loan note of £103.5m payable to Citigroup Capital, the controlling party of the Group, will ultimately be capable of being fully repaid. The directors note that repayment of the loan notes is deferred to 31 March 2011 under the terms of the Restructuring Agreement with the funders, including Citigroup Capital, and they have a reasonable expectation that this loan will be restructured in due course to address the net asset solvency position of the Group.

Furthermore, the directors believe that it is more likely than not that they will be successful in raising new investment by 30 June 2010 and therefore they have no reason to believe that the group will cease trading, or have no realistic alternative but to cease trading within the next 12 months and believe that it is appropriate for the financial statements to be prepared on a going concern basis, which assumes that the group will continue in operational existence for at least the next 12 months.

However if the conditions set out in the amended funder agreements are not met and the senior funders require full repayment of the outstanding facilities, then the directors recognise that group will be in default on its loan obligations and may not be able to continue in operational existence. In this event, no significant adjustments would have to be made to these financial statements.

2 STAFF COSTS

There were no staff costs for the year ended 31 March 2009 (2008: £nil). The company has no employees.

3 OPERATING LOSS

None of the directors received any remuneration for their services to the company apart from Wilmington Trust SP Services (London) Limited. Under the terms of a Corporate Services Agreement, fees of £6,000 (2008: £6,000) accrued to Wilmington Trust SP Services (London) for their services during the year. Audit fees of £3,050 (2008: £3,150) for the company are accrued but paid on behalf of the company by a subsidiary company.

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2009 nor for the year ended 31 March 2008.

CONSUMER FINANCE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2009**

5 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2008	
and 31 March 2009	<u>9</u>
NET BOOK VALUE	
At 31 March 2009	<u>9</u>
At 31 March 2008	<u>9</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Consumer Finance Acquisitions Company Limited

Nature of business Holding company

	% holding	2009 £	2008 (restated) £
Class of shares	75 00		
Ordinary shares			
Aggregate capital and reserves		(81,205,864)	(6,596,387)
Loss for the year		<u>(74,609,477)</u>	<u>(1,278,407)</u>

Consumer Finance Acquisitions Company Limited is the holding company of a group of unlisted companies, details of which are as follows

British Credit Trust Limited

Nature of business Consumer auto loan provider

	% holding
Class of shares	100 00
Ordinary	

British Credit Trust Management Limited

Nature of business Consumer credit finance funder

	% holding
Class of shares	100 00
Ordinary	

British Credit Trust Finance Limited

Nature of business Dormant

	% holding
Class of shares	100 00
Ordinary	

British Credit Trust Collections Limited

Nature of business Debt collection

	% holding
Class of shares	100 00
Ordinary	

Swiftarrow Limited

Nature of business Non-trading

	% holding
Class of shares	100 00
Ordinary	

CONSUMER FINANCE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2009**

5 FIXED ASSET INVESTMENTS - continued

British Credit Trust Conduit Limited

Nature of business Non-trading

Class of shares	% holding
Ordinary	100.00

There is a charge over the shares held by the company in British Credit Trust Management Limited to secure the warehouse facility in British Credit Trust Management Limited

The results and reserves of these companies are included in the consolidated accounts of Consumer Finance Acquisitions Company Limited and NPIL Hold Co Limited

6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owed to group undertakings	80,709	70,624
Accrued expenses	<u>10,085</u>	<u>10,085</u>
	<u>90,794</u>	<u>80,709</u>

7 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2009 £	2008 £
100	Ordinary £1	£1	<u>100</u>	<u>100</u>

Allotted and issued Number	Class	Nominal value	2009 £	2008 £
10	Share capital 1	£1	<u>10</u>	<u>10</u>

8 RESERVES

	Profit and loss account £
At 1 April 2008	(80,709)
Loss for the year	<u>(10,085)</u>
At 31 March 2009	<u>(90,794)</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Loss for the financial year	<u>(10,085)</u>	<u>(10,085)</u>
Net addition/(reduction) to shareholders' funds	(10,085)	(10,085)
Opening shareholders' funds	<u>(80,699)</u>	<u>(70,614)</u>
Closing shareholders' funds	<u>(90,784)</u>	<u>(80,699)</u>

CONSUMER FINANCE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2009**

10 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

All of the shares in the company are held by Wilmington Trust SP Services (London) Limited, a company registered in England and Wales, under a declaration of trust for Charitable beneficiaries. Copies of its financial statements can be obtained from its Registered Office at Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London, EC2M 7JH.