

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

**DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

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CONSUMER FINANCE ACQUISITIONS CO. LIMITED

COMPANY INFORMATION

DIRECTORS

A R Hill
V P Fandozzi
A Brown

COMPANY SECRETARY

Linnells Secretarial Services Limited

REGISTERED NUMBER

03621123 (England and Wales)

REGISTERED OFFICE

Seacourt Tower
West Way
Oxford
Oxfordshire
OX2 0FB

INDEPENDENT AUDITORS

Pricewaterhouse Coopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

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CONSUMER FINANCE ACQUISITIONS CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The directors present their Annual Report with the Group audited financial statements of Consumer Finance Acquisition Co. Limited ('the Company'), for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of an intermediate holding company. The group of companies of which it is the head is engaged in the origination and management of consumer finance contracts. The Group includes a Servicing Company, British Credit Trust Holdings Limited ('BCTH Ltd'), several Special Purpose Entity ("SPE") companies which are used as funding vehicles, and a company British Credit Trust Limited ('BCT Ltd'), which manages collections of previously originated/acquired loans.

The Group's originating subsidiary, BCT Ltd, is not presently originating new receivables given the restrictions placed on its funding by the Senior Lenders, being Barclays Bank, Royal Bank of Scotland & Bank of America Merrill Lynch.

BCTH Ltd has continued to provide certain debt administration services to BCT Ltd and the SPEs, and executive and management control and infrastructure to the CFAC group of companies. The volume and range of debt administration services provided by BCTH Ltd from its own resources decreased after 20 November 2010, when certain portfolio management functions were taken on by a third party service provider. BCTH Ltd has continued to provide administration of customer accounts which are in 'recovery shortfall' status (late arrears and terminated agreements). The third party service provider undertakes administration of up to date and early arrears cases under an agreement between BCT Ltd, the funding banks and the SPEs. Accordingly, business costs have been significantly reduced.

The results of the SPEs have been consolidated into the Consumer Finance Acquisitions Co. Ltd Group from 31 March 2011 as the directors consider that, with new funding arrangements and revised cash flow projections they have regained control of the SPEs from the lending banks at that date. In forming this conclusion, the directors considered the actual performance of the SPE loan books, expected repayments to the lending banks, terms of renewal of the lending facilities soon after year end and appropriate legal advice.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Senior Lenders continued with their intentions to reduce their exposure to the CFAC group during the year, and since January 2010 no funds have been provided for new business. This was to allow for negotiations to take place to refinance the business longer term, however this consequently placed the Group's portfolios into 'run-off'. The funding facilities were renewed on 15th April 2011 and under that agreement the new facilities for Bank of America Merrill Lynch were extended to 31 March 2012 and Barclays Bank plc and Royal Bank of Scotland plc to 31 March 2013. Subsequent to this, Bank of America Merrill Lynch was repaid in full in August 2011 and Royal Bank of Scotland plc in March 2012, and the funding agreement with Barclays Bank plc has been extended to 21st November 2013.

Whilst the Group continues to trade, the lack of new business referred to above has resulted in the directors pursuing a strategy of maximising shareholder value from the existing customer portfolios. This involved identifying the inherent value in the portfolio, concentrating on collection strategies and also reducing costs. This approach of reducing costs and maximising focus on collection activity is forecast to result in a better recovery for the shareholder of the Company.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

RESULTS AND DIVIDENDS

The Group's result for the year was a profit before tax of £4,825,103 (2012: loss £2,480,300). No dividends will be distributed for the year ended 31 March 2013 (2012: nil).

All companies in the Group except the Company have positive net assets and the Company itself has negative net assets because the recapitalisation that took place in 2009 was headed by the Company for its subsidiaries, and the Company itself was not recapitalised by its then parent.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 2012 to the date of signing this report unless otherwise stated.

A R Hill
V P Fandozzi
A Brown

Two of the Company's current and former directors, Adrian Hill and Andrew Lee, are party to Long Term Incentive Plan (LTIP) agreements with the Company. Payments under the LTIP agreements are based on the amount of cash recovered within the CFAC Group and available for payment to the Company's parent, Seven Mile Capital Partners Founders Fund, LP, as repayment of shareholders loans or by way of distribution. Amounts only become due under the LTIP agreements where such cash received by Seven Mile Capital Partners Founders Fund, LP exceeds £10m. One director has an interest in the future residual cash flows from certain of the hire purchase contract receivables. A total of £248,730 was payable to the director in relation to this interest for the year ended 31st March 2013.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risk to the Group is cash flow risk and being able to meet its liabilities as and when they fall due. The Company has retained a cash balance to mitigate this risk to the Group, along with its downsizing its operations to reduce its cost base post year end.

FINANCIAL RISK MANAGEMENT

As described in the 'Principal Risk and Uncertainties' section above, the Group needs to generate sufficient funds from recoveries from its self funded portfolio to meet the costs of running and, in 2012/3, downsizing its operations. Liquidity risk is reviewed continuously and management currently are of the opinion that sufficient cash resources exist to fulfil and meet the company's obligations as they fall due.

The Group does not have a significant exposure to interest rate risk on assets as the interest rates are largely fixed.

GOING CONCERN

As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis, rather they have been prepared on a break up basis.

POST BALANCE SHEET EVENTS

In five transactions on 22nd July 2013, 29th August 2013, 26th September 2013, 31st October 2013 and 25th February 2014 the residual outstanding HP contracts and loan agreements of the Company's subsidiaries were sold at prices greater than the net book value. The Company will continue to manage the bank accounts associated with the loan agreements on behalf of the purchaser for the foreseeable future.

REGISTRATION NUMBER: 03621123

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

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 prepared the Group and parent company's 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 the Group and of the profit or loss of the Group 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;
- 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 the group 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 the group 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 418 of the Companies Act 2006) 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.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

.....
A R Hill
Director

Date: 12 June 2014

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONSUMER FINANCE ACQUISITIONS CO. LIMITED

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2013 and of the group's profit and cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

EMPHASIS OF MATTER - BASIS OF PREPARATION

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the going concern basis of accounting. Subsequent to the balance sheet date, the company's subsidiaries sold their residual loan portfolios. As such, the company will have no loans and no intention of issuing any new loans. Accordingly, the going concern basis of accounting is no longer appropriate. Adjustments have been made where appropriate in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

WHAT WE HAVE AUDITED

The financial statements, which are prepared by Consumer Finance Acquisitions Co. Limited, comprise:

- the balance sheets as at 31 March 2013;
- the group profit and loss account and statement of total recognised gains and losses for the year then ended;
- the group cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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.

In addition, we read all the financial and non-financial information in the Audited Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONSUMER
FINANCE ACQUISITIONS CO. LIMITED (continued)**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

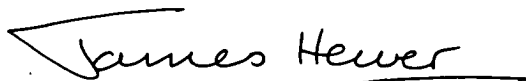
RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Director's Responsibilities set out on page 2, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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



James Hewer (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Date: 13 June 2014

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2013

	Note	31 Mar 13 £	31 Mar 12 £
Turnover	2	8,775,889	12,421,504
Cost of sales		(922,635)	(10,199,138)
GROSS PROFIT		7,853,254	2,222,366
Administrative expenses		(3,032,685)	(4,391,111)
Operating profit/(loss)	3	4,820,569	(2,168,745)
Other interest receivable and similar income	4	6,810	6,723
Interest payable and similar charges	5	-	(315,712)
Profit/(loss) on ordinary activities before taxation		4,827,379	(2,477,734)
Tax on loss on ordinary activities	6	(546)	(667)
Profit/(loss) on ordinary activities after taxation		4,826,833	(2,478,401)
Minority interest - equity	22	(1,730)	(1,899)
Gain on Consolidation		-	-
Profit/(loss) for the financial year	15	4,825,103	(2,480,300)

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

CONTINUING OPERATIONS

None of the Group's activities were acquired or discontinued during the current year or previous year.

Group statement of total recognised gains and losses for the year ended 31 March 2013

	31 Mar 13 £	31 Mar 12 £
Profit/(loss) for the financial year	4,825,103	(2,480,300)
Total recognised gains and losses relating to the year	4,825,103	(2,480,300)
Total gains and (losses) recognised since last annual report	4,825,103	(2,480,300)

REGISTRATION NUMBER: 03621123

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

BALANCE SHEETS AS AT 31 MARCH 2013

	Note	Group		Company	
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
		£	£	£	£
Fixed assets					
Tangible assets	8	-	-	-	-
Investments	9	-	-	5,335,525	510,422
		-	-	5,335,525	510,422
Current assets					
Debtors: amounts falling due within one year	10	7,643,856	19,006,573	94,507	94,507
Debtors: amounts falling due after more than one year	10	3,157,658	4,130,471	-	-
Cash at bank and in hand		3,869,870	5,011,452	-	-
		14,671,384	28,148,496	94,507	94,507
Creditors: amounts falling due within one year	11	(23,604,967)	(7,234,760)	(14,404,268)	-
Net current liabilities		(8,933,583)	20,913,736	(14,309,761)	94,507
Total assets less current liabilities		(8,933,583)	20,913,736	(8,974,236)	604,929
Creditors: amounts falling due after more than one year	12	(70,731,000)	(105,405,152)	(70,731,000)	(85,135,268)
Minority interest	22	(9,543)	(7,813)	-	-
		(79,674,126)	(84,499,229)	(79,705,236)	(84,530,339)
Capital and reserves					
Called up share capital	14	14	14	14	14
Share premium reserve account	15	408,698	408,698	408,698	408,698
Profit and loss account	15	(80,082,838)	(84,907,941)	(80,113,948)	(84,939,051)
Total shareholders' deficit	16	(79,674,126)	(84,499,229)	(79,705,236)	(84,530,339)

The financial statements on pages 7 to 22 were approved by the Board on 12 June 2014.

A R Hill
Director

REGISTRATION NUMBER: 03621123

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

GROUP CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2013

	31-Mar-13 £	31-Mar-12 £
Net cash outflow from operations (Note A)	(1,147,798)	(9,822,842)
Returns on investments and servicing of finance		
Interest received	6,810	6,723
Net cash inflow for returns on investments and servicing of finance	6,810	6,723
Corporation tax	(595)	(726)
Taxation	(595)	(726)
Capital expenditure and financial investment		
Receipts from the sale of tangible fixed assets	-	2,112
Net cash inflow/(outflow) for capital expenditure and financial investment	-	2,112
Net cash (outflow)/inflow before management of liquid resources and financing	(1,141,583)	(9,814,733)
Net decrease in cash for the year	(1,141,583)	(9,814,733)

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

A Reconciliation of operating loss to net cash outflow from operating activities

	31-Mar-13 £	31-Mar-12 £
Operating profit/(loss)	4,820,569	(2,168,745)
Depreciation of tangible fixed assets	-	64,162
Profit on disposal of tangible fixed assets	-	(2,113)
Decrease in debtors for the year	12,335,529	34,583,715
Decrease in creditors for the year	(18,303,896)	(42,299,861)
Net cash outflow for the period	(1,147,798)	(9,822,842)

B Analysis of changes in net cash/(debt)

	31-Mar-12 £	Cash flow £	31-Mar-13 £
Cash at bank and in hand	5,011,452	(1,141,583)	3,869,870
	5,011,452	(1,141,583)	3,869,870
Debt due within one year	(4,594,024)	(17,314,095)	(21,908,119)
	(4,594,024)	(17,314,095)	(21,908,119)
	417,428	(18,455,678)	(18,038,249)

C Reconciliation of net cash flow to movement in net debt

	31-Mar-13 £	31-Mar-12 £
Net cash decrease for the year	(1,141,583)	(9,814,733)
Cash outflow from decrease in debt	(17,314,095)	40,688,648
Change in net debt resulting from cash flows	(18,455,678)	30,873,915
Opening net funds	417,428	(30,456,487)
Opening net debt	417,428	(30,456,487)
Closing net debt	(18,038,249)	417,428

D Cash balances held

Cash includes an amount of £159,974 (2012: £518,448) which represents the Group's bank accounts restricted by the detailed priority of payments governing the waterfall arrangements with the lenders and is not freely available to be used for any other purpose.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2013

1 Accounting policies

Accounting convention

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, the Statement of Recommended Accounting Practice (Accounting issues in the asset finance and leasing industry) and the Companies Act 2006. A summary of the more important accounting policies which have been applied consistently unless otherwise stated, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Basis of consolidation and goodwill

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2013. The results of its subsidiaries are included in the group profit and loss account from the date of acquisition. Intra-group transactions are eliminated fully on consolidation.

On the acquisition of a business, fair values are attributed to the group's share of net assets acquired. Where the cost of acquisition exceeds the fair values attributed to net assets acquired, the resulting goodwill is capitalised and then eliminated by amortisation through the profit and loss account over its estimated useful life.

Related party disclosures

The definition of related parties includes parent company and ultimate parent company, their subsidiaries and associated companies, and the company directors.

Balances with related parties are disclosed in note 10, 12 and 18.

Turnover and cost of sales

In the opinion of the directors, turnover for the Group is most appropriately represented by interest, commissions and fees receivable, excluding value added tax. Similarly, cost of sales is comprised of interest payable and certain costs directly incurred in relation to the origination and collection of receivables on behalf of other group companies. This represents an adaptation of the profit and loss account format contained in Schedule 1 to SI 2008/410 due to the special nature of the Group's business.

Instalment finance

Charges made to customers for instalment finance are brought into revenue on a basis to reflect a consistent rate of return on the outstanding principal balance over the life of each consumer loan. For consumer loan agreements written prior to July 2005, this was calculated using the sum of digits method. For new agreements written after that date, this was calculated on an actuarial basis. Premiums on non-cancellable insurance products are recognised at the origination of the consumer loan agreements.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost to estimated residual value of each asset.

Investment in subsidiaries

Investments in subsidiary companies are included in the parent company's balance sheet at expected recoverable value, being cost less provision for impairment.

Deferred tax

Deferred tax assets are recognised to the extent that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimates of the amount of the obligation can be made.

Impairment provisions

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

- a) significant financial difficulty of the borrower;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the Company granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider
- d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- e) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company, including adverse changes in the payment status of borrowers in the group.

The Company measures the amount of impairment loss by estimating and applying probabilities of default and loss given default to delinquent loans based on observable historical experience, adjusted appropriately if conditions prevailing at the balance sheet date necessitate.

The Company does not maintain general provisions for its loan assets. The specific provisions which are made during the year, less amounts released and recoveries of bad debts previously written off, are charged against operating profit and are deducted from hire purchase receivables.

If the collection of interest is doubtful, interest is suspended although interest continues to be charged to the customers' accounts. If the collection of interest is considered remote, interest is written off. Interest suspended is released to profit and loss account on a cash receipt basis.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

1 Accounting policies (continued)

Pension cost and other post- retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Going concern basis of preparation

For the reasons explained below, the financial statements have not been prepared on a going concern basis rather they have been prepared on a break up basis. Under that basis assets have been stated at their realisable values and additional liabilities arising from the change in basis have been provided where necessary. Long term liabilities have been reclassified as current assets and liabilities. No adjustments were actually necessary to the amounts at which the remaining assets and liabilities are included in these financial statements.

In five transactions on 22nd July 2013, 29th August 2013, 26th September 2013, 31st October 2013 and 25th February 2014 the residual outstanding HP contracts and loan agreements of the Company's subsidiaries were sold at prices greater than the net book value.

The directors also note the Group has net liabilities as at 31 March 2013 of £80m and, while the Group has sufficient funds to be able to continue to trade for at least the next 12 months, it is unlikely that the loan notes of £91m payable to a subsidiary of Seven Mile Capital Partners Founders Fund, LP, the controlling party of the Group, and to a director, will ultimately be capable of being fully repaid. The directors note that repayment of the loan notes is deferred under the term of the Restructuring Agreement with the funders allowing the orderly 'run off' of the portfolio and repayment of the bank facilities from the cash reserves of the relevant SPE's.

If circumstances prove different and the cash flows in the future prove inadequate then adjustments may have to be made to reduce the balance sheet values to their recoverable amounts, to provide for any further liabilities that may arise and to reclassify long term assets and long term liabilities, current assets and liabilities. However, as recourse is limited to the level of customer repayments any reduction in cash would be matched by a reduction in amounts due to Senior Lenders.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

2 Turnover

Segmental reporting

The Group's activities consist solely of providing consumer and commercial finance and related services in the United Kingdom

3 Operating profit/(loss)

The operating profit (2012: loss) is stated after charging/(crediting):

	31-Mar-13	31-Mar-12
	£	£
Other operating lease rentals	70,087	86,287
Depreciation- owned tangible fixed assets	0	64,162
Profit on disposal of tangible fixed assets	0	(2,113)
Auditors' remuneration:		
Audit fee	75,000	105,000
Other services	0	23,111
Reversal of impairment losses on hire purchase loans including capital write-off and recourse provision	(4,940,312)	(194,550)
Deferred consideration receivable from group companies	0	34,575

4 Other interest receivable and similar income

	31-Mar-13	31-Mar-12
	£	£
Bank interest receivable	6,810	6,723

5 Interest payable and similar charges

	31-Mar-13	31-Mar-12
	£	£
Interest payable on bank borrowing	-	315,712

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

6 Tax on loss on ordinary activities

	31-Mar-13 £	31-Mar-12 £
Domestic current year tax		
Charge for the year	546	667
Total current tax	<u>546</u>	<u>667</u>
Deferred tax		
Deferred tax	-	-
Tax on loss on ordinary activities	<u>546</u>	<u>667</u>
Factors affecting the tax charge		
Loss on ordinary activities before taxation	<u>4,827,379</u>	<u>(2,477,734)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24% (2012: 26%)	<u>1,158,571</u>	<u>(644,211)</u>
Effects of:		
Non deductible expenses	185	81,720
Excess depreciation over capital allowances	-	16,682
Tax losses arising in the year carried forward	-	611,700
Tax losses utilised	(1,158,209)	(65,224)
Other timing differences	-	-
Prior Year adjustment	-	-
	<u>(1,158,024)</u>	<u>644,878</u>
Current tax (credit) charge for the period	<u>546</u>	<u>667</u>

7 Profit of parent company

As permitted by Section 408 of the Companies Act 2006 the profit and loss account of the Company is not presented as part of these financial statements. The Company's profit for the financial year was £4,825,103 (2012: loss £2,480,300)

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

8 Tangible assets

Tangible fixed assets comprise Leasehold improvements, fixtures, fittings and equipment and computer equipment.

Group and company

	Leasehold improvements	Fixtures, fittings & equipment, etc.	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2012 and at 31 March 2013	<u>743,269</u>	<u>194,160</u>	<u>3,537,592</u>	<u>4,475,021</u>
Accumulated Depreciation				
At 1 April 2012 and at 31 March 2013	<u>743,269</u>	<u>194,160</u>	<u>3,537,592</u>	<u>4,475,021</u>
Net book value				
At 31 March 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

9 Investments - Company

Shares in group undertakings and interests in other entities

	£
Cost	
At 1 April 2012 and at 31 March 2013	<u>74,820,266</u>
Provision for diminution in value	
At 1 April 2012	74,309,844
Provision release for the year	(4,825,103)
At 31 March 2013	<u>69,484,741</u>
Net book value	
At 31 March 2013	<u>5,335,525</u>
At 31 March 2012	<u>510,422</u>

In the opinion of the directors the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

9 Investments - Company (continued)

Details of all subsidiary undertakings incorporated in the United Kingdom are as follows:

Company	Class of shares	% held
British Credit Trust Holdings Limited Principal activity: Servicer	Ordinary	100
British Credit Trust Holdings is also the holding company of a group of unlisted companies, details of which are as follows:		
British Credit Trust Limited Principal activity: Consumer auto loan provider	Ordinary	100
British Credit Trust Collections Limited Principal activity: Debt collections	Ordinary	100
British Credit Trust Finance Limited Principal activity: Debt collections	Ordinary	100
Swiftarrow Services Limited Principal activity: Dormant	Ordinary	100
British Credit Trust Conduit Limited Principal activity: Dormant	Ordinary	100
British Credit Trust Management Limited Principal activity: Consumer credit finance funder	Ordinary	100

There is a charge over the shares held in British Credit Trust Management Limited ("BCTM") to secure the warehouse facility in that company.

On 1 April 2010, all of the shares in BCTM were transferred to Barclays Nominees (Branches) Limited, a company registered in England and Wales. However, for financial reporting purposes, BCTM is considered to be controlled by the Group at 31 March 2013.

Under FRS 5, whilst the Company is not a shareholder in either BCT Warehouse Limited ("BCTW") or BCT Conduit Limited ("BCTC"), by means of control they are considered quasi subsidiaries of the Company.

The financial statements of the Group for the year ended 31 March 2010 did not consolidate the SPE's (BCTM, BCTW and BCTC). The results of the SPE's have been consolidated into Consumer Finance Acquisitions Co. Ltd Group (CFAC Group) from 31 March 2011 as the directors believe that they have regained control of the SPE's from the lending banks at that date.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

10 Debtors

	Group		Company	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	£	£	£	£
Amounts falling due within one year:				
Amounts owed by group undertakings	-	-	94,496	94,496
Amounts receivable in respect of hire purchase contracts	7,561,419	18,598,616	-	-
Other debtors	25,305	32,143	11	11
Prepayments and accrued income	57,132	375,814	-	-
	<u>7,643,856</u>	<u>19,006,573</u>	<u>94,507</u>	<u>94,507</u>
Amounts falling due after more than one year:				
Amounts receivable in respect of hire purchase contracts	3,157,658	4,130,471	-	-
	<u>3,157,658</u>	<u>4,130,471</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>10,801,514</u>	<u>23,137,044</u>	<u>94,507</u>	<u>94,507</u>

11 Creditors: amounts falling due within one year

	Group		Company	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	£	£	£	£
Other loans (see note 13)	21,908,119	4,594,024	-	-
Trade creditors	92,450	105,611	-	-
Amounts owed to group undertakings	-	-	14,404,268	-
Corporation tax	1,650	1,699	-	-
Other taxes and social security costs	22,258	22,404	-	-
Other creditors	-	-	-	-
Accruals and deferred income	1,580,490	2,511,022	-	-
	<u>23,604,967</u>	<u>7,234,760</u>	<u>14,404,268</u>	<u>-</u>

12 Creditors: amounts falling due after more than one year

	Group		Company	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	£	£	£	£
Directors' loans	14,075,421	21,010,252	14,075,421	16,956,275
Seven Mile Capital Partners Founders Fund, LP	56,655,579	84,394,900	56,655,579	68,178,993
	<u>70,731,000</u>	<u>105,405,152</u>	<u>70,731,000</u>	<u>85,135,268</u>

The loans are secured by a fixed and floating charge over the assets of the company, assets of British Credit Trust Holdings Limited and British Trust Credit Limited via debentures. Loan notes of £21.8m for the Company and the Group were interest bearing until 30 September 2011, but all loans are now non-interest bearing. The weighted average interest rate for the year was 0% (2012: 1.45%).

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

13 Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	£	£	£	£
Amounts falling due within one year or on demand:				
Warehouse facilities	21,908,119	4,594,024	-	-
	<u>21,908,119</u>	<u>4,594,024</u>	<u>-</u>	<u>-</u>

The warehouse facilities with Barclays Bank Plc, Merrill Lynch, The Royal Bank of Scotland, and Seven Mile Capital are secured by way of fixed and floating charges over the assets of BCTM, BCTW, BCTC, and BCT respectively. These entities have been consolidated in these financial statements as detailed in note 9 to these financial statements. Merrill Lynch and Royal Bank of Scotland plc have been repaid in full.

14 Called up share capital

			Company	
			31-Mar-13	31-Mar-12
			£	£
Authorised				
Number:	Class:	Nominal value:		
150	Ordinary 'A'	1p	1	1
2,000,850	Ordinary 'B'	1p	20,009	20,009
90	Ordinary 'C1'	1p	1	1
160	Ordinary 'C2'	1p	2	2
			<u>20,013</u>	<u>20,013</u>
Allotted, called up and fully paid				
Number:	Class:	Nominal value:		
150	Ordinary 'A'	1p	1	1
985	Ordinary 'B'	1p	10	10
90	Ordinary 'C1'	1p	1	1
160	Ordinary 'C2'	1p	2	2
			<u>14</u>	<u>14</u>

The 250 class 'C' ordinary shares of £0.01 nominal value rank pari passu with class 'A' and 'B' ordinary shares. The 'C' shares do not entitle the holders thereof to attend or vote at general meetings of the company.

C1 shares and C2 shares have the same rights and restrictions save in respect of entitlement to income and capital on exit by reason of ratchet provisions. C1 and C2 shares respectively have a 6.5% and 11.5% base case entitlement to exit proceeds. Conditional upon a return hurdle for Seven Mile Capital Partners Founders Fund, LP, being triggered by reason of the ratchet provision in the articles, the base case entitlement of the C shares economic entitlement will be enhanced: C1 and C2 shares to 15% and 17.68% respectively of any excess value over the return hurdle.

At 31 March 2013 Seven Mile Capital Partners Founders Fund, LP, held warrants to subscribe for ordinary shares in the company.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

15 Profit and Loss Account

Group

	Share premium reserve account £	Profit and loss account £
At 1 April 2012	408,698	(84,907,941)
Profit for the financial year	-	4,825,103
At 31 March 2013	<u>408,698</u>	<u>(80,082,838)</u>

Company

	Share premium reserve £	Profit and loss account £
At 1 April 2012	408,698	(84,939,051)
Profit for the financial year	-	4,825,103
At 31 March 2013	<u>408,698</u>	<u>(80,113,948)</u>

16 Reconciliation of movements in shareholders' deficit

	Group		Company	
	31-Mar-13 £	31-Mar-12 £	31-Mar-13 £	31-Mar-12 £
Profit/(Loss) for the financial year	<u>4,825,103</u>	(2,480,300)	<u>4,825,103</u>	(2,480,300)
	<u>4,825,103</u>	(2,480,300)	<u>4,825,103</u>	(2,480,300)
Opening shareholders' deficit	<u>(84,499,229)</u>	(82,018,929)	<u>(84,530,339)</u>	(82,050,039)
Closing shareholders' deficit	<u>(79,674,126)</u>	(84,499,229)	<u>(79,705,236)</u>	(84,530,339)

17 Financial commitments

At 31 March 2013, the group had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings		Other	
	31-Mar-13 £	31-Mar-12 £	31-Mar-13 £	31-Mar-12 £
Operating leases which expire:				
Within one year	30,000	60,000	-	7,734
Within two to five years	-	-	-	-
	<u>30,000</u>	<u>60,000</u>	<u>-</u>	<u>7,734</u>

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

18 Directors' emoluments

	31-Mar-13 £	31-Mar-12 £
Aggregate emoluments	373,730	325,896
Company pension contributions to money purchase schemes	-	8,100
Compensation to director for loss of office	-	123,750
	<u>373,730</u>	<u>457,746</u>
Information regarding highest paid director is as follows:		
Aggregate emoluments	373,730	324,646
Company pension contributions to money purchase schemes	-	8,100
	<u>373,730</u>	<u>332,746</u>

The number of directors to whom retirement benefits were accruing was as follows:

	31-Mar-13 Number	31-Mar-12 Number
Money purchase scheme	-	1

Two of the Company's current and former directors, Adrian Hill and Andrew Lee, are party to Long Term Incentive Plan (LTIP) agreements with the Company. Payments under the LTIP agreements are based on the amount of cash recovered within the CFAC Group and available for payment to the Company's parent, Seven Mile Capital Partners Founders Fund, LP, as repayment of shareholders loans or by way of distribution. Amounts only become due under the LTIP agreements where such cash received by Seven Mile Capital Partners Founders Fund, LP exceeds £10m. The amounts paid in the year to 31/03/2013 under the Long Term Incentive Plan agreement were £414,550.

19 Particulars of employees

Number of employees

The average number of staff, including directors, employed by the Company during the financial period was:

	31-Mar-13 Number	31-Mar-12 Number
By activity:		
Administration	<u>13</u>	<u>13</u>

The aggregate payroll costs of the above were:

	31-Mar-13 £	31-Mar-12 £
Wages and salaries	1,198,790	961,637
Social security costs	129,707	141,886
Other pension costs (note 20)	17,574	27,016
	<u>1,346,071</u>	<u>1,130,539</u>

20 Pension costs

The Group operates a defined contribution pension scheme for all employees within the group. The assets of the scheme are held separately from those of the Group in independently administered funds. Contributions payable by the Group during the year amounted to £17,574 (2012: £27,016) and have been recognised in the profit and loss account. As at the balance sheet date, contributions amounting to £1,592 (2012: £1,825) had not been paid over to the pension scheme, and are included within creditors falling due within one year.

21 Deferred Taxation

The amounts unrecognised for the deferred taxation asset are as follows:

Group

	31-Mar-13 £	31-Mar-12 £
Excess of book depreciation over tax allowances	593,636	643,106
Corporation tax losses carried forward	<u>13,274,981</u>	<u>15,413,003</u>
	<u>13,868,617</u>	<u>16,056,109</u>

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

21 Deferred Taxation - continued

Company	31-Mar-13 £	31-Mar-12 £
Corporation tax losses carried forward	<u>369,483</u>	<u>404,598</u>
	<u>369,483</u>	<u>404,598</u>

The potential deferred tax asset has not been recognised on the grounds that there is presently insufficient evidence to suggest that the asset is more likely than not to be recovered for the foreseeable future based on the current economic outlook.

The movement in the unrecognised deferred tax asset during the year is as follows:

	Group £	Company £
Unrecognised deferred tax asset at the beginning of year	16,056,109	404,598
Adjustment in respect of prior year	195,567	(4,325)
Net utilisation of tax losses in the year	(1,158,209)	-
Excess of tax allowances over book depreciation	-	-
Impact of tax rate change	(1,250,128)	(30,790)
Unrecognised deferred tax asset at year end	<u>13,843,339</u>	<u>369,483</u>

22 Minority Interests

	Group 31-Mar-13 £	31-Mar-12 £
Profit for the financial year	1,730	1,899
Opening minority interest	<u>7,813</u>	<u>5,914</u>
Closing minority interest	<u>9,543</u>	<u>7,813</u>

23 Ultimate parent undertaking and controlling party

Following a transaction which closed on 30 September 2011, the entire issued share capital of Consumer Finance Acquisitions Co. Limited was acquired by Seven Mile Capital Partners Founders Fund, LP, a limited partnership established in Delaware which is now the immediate and ultimate parent undertaking..

These financial statements are the smallest and largest group including the results of the Company

24 Post balance sheet events

In five transactions on 22nd July 2013, 29th August 2013, 26th September 2013, 31st October 2013 and 25th February 2014 the residual outstanding HP contracts and loan agreements of the Company's subsidiaries were sold at prices greater than the net book value. The Company will continue to manage the bank accounts associated with the loan agreements on behalf of the purchaser for the foreseeable future.