

Company Registration No. 03621123 (England and Wales)

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

DIRECTORS' REPORT AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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CONSUMER FINANCE ACQUISITIONS CO. LIMITED

COMPANY INFORMATION

DIRECTORS

A R Hill
V P Fandozzi

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

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their strategic report of Consumer Finance Acquisitions Co. Limited (the Company) for the year ended 31 March 2015.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Since 2010, and with the agreement of the secured creditors, the Directors have pursued a strategy of identifying the inherent value in the portfolio, concentrating on collection strategies, reducing costs and undertaking portfolio sales.

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 following competitive auction processes.

BCTH continued to provide certain debt administration services to BCT Ltd and the SPEs up until the date of sales of the relevant portfolios or the repayment of any indebtedness in the SPEs and executive and management control and infrastructure to the CFAC group of companies. As a result of the portfolio sales business costs have reduced very considerably.

On completion of the final transaction all but two of the staff were made redundant. All staff had been made aware of this action well in advance at the time of the first transaction in July 2013.

Since 2010 the Directors have managed the companies in the group to realise deferred consideration due to the group, to repay indebtedness and to meet liabilities as they fall due whilst retaining a cash reserve which was calculated as likely to be sufficient to meet known and expected liabilities to third parties on the basis of regulation and guidance in place when the reserve was established. Following the sales in 2013 and 2014 there are no additional funds available from which to establish further reserves. In light of the judgement in the Supreme Court on 14 November 2014 in *Plevin v Paragon Personal Finance Ltd* ("Plevin") the FCA issued a statement on the proposed treatment of PPI claims which may be made as a result of this judgement. This judgement and the FCA statement has introduced some uncertainty as to the sufficiency of the reserve. It is not possible to quantify the impact of the Plevin judgement at this time.

In due course the directors plan to liquidate the company.

RESULTS AND DIVIDENDS

The Group's result for the year was a loss before tax of £636,985 (2014: loss £784,812). No dividends will be distributed for the year ended 31 March 2015 (2014: nil).

OUTLOOK

The Company will continue to manage the bank accounts associated with the loan agreements and to administer PPI claims for the foreseeable future, however it no longer owns any agreements or intends issuing any new agreements. Pending the discharge of responsibilities to manage the bank accounts associated with the loan agreements, the directors plan to liquidate the Company.

FINANCIAL RISK MANAGEMENT

The management currently are of the opinion that, notwithstanding the uncertainty introduced as a result of Plevin and the consequent FCA statement, based on the current level of new PPI claims arising in practice and provided that claims remain low, sufficient cash resources exist within the Group to fulfil and meet the company's obligations to third parties as they fall due. The company has no exposure to interest rate risk.

ON BEHALF OF THE BOARD:

A R Hill
Director

Date: 01 December 2015

REGISTRATION NUMBER: 03621123

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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 2015.

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 have been engaged in the origination and management of consumer finance contracts, although origination of new HP loans ceased in 2010 due to the conditions in the financial markets at that time. The Group includes a Servicing Company, British Credit Trust Holdings Limited ('BCTH'), several Special Purpose Entity ('SPE') companies which have been used as funding vehicles, and a company British Credit Trust Limited ('BCT Ltd') which managed collections of previously originated/acquired loans. Since 2010 the Directors have managed the companies in the group to realise the loans of the group companies, to repay their bankers and other secured loans and to meet liabilities as they fall due whilst retaining a cash reserve which is expected to be sufficient to meet known and expected liabilities to third parties.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 2014 to the date of signing this report unless otherwise stated.

A R Hill
V P Fandozzi

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 £22,500 was payable to the director in relation to this interest for the year ended 31st March 2015.

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.

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.

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Continued.....

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable contributions during the year (2014: Nil).

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

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A R Hill
Director

Date: 01 December 2015

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, Consumer Finance Acquisitions Co. Limited financial statements (the "financial statements"):

- give a true and fair view of the state of the Group and company's affairs as at 31 March 2015 and of its performance 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.

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 basis of accounting. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

WHAT WE HAVE AUDITED

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended;
- the 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' 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.

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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) ("ISA's (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.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

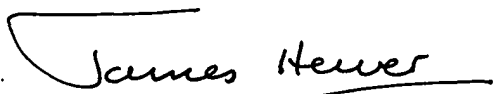
We conducted our audit in accordance with ISA's (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



James Hewer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 01 December 2015

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2015

	Note	31 Mar 15 £	31 Mar 14 £
Turnover	2	-	3,748,918
Cost of sales		(231,559)	(557,400)
GROSS PROFIT		(231,559)	3,191,518
Administrative expenses		(407,871)	(3,979,842)
Operating loss	3	(639,430)	(788,324)
Other interest receivable and similar income	4	2,445	3,989
Interest payable and similar charges	5	-	-
Loss on ordinary activities before taxation		(636,985)	(784,335)
Tax on loss on ordinary activities	6	-	(477)
Loss on ordinary activities after taxation		(636,985)	(784,812)
Minority interest - equity	22	-	-
Gain on Consolidation		-	-
Profit/(loss) for the financial year	15	(636,985)	(784,812)

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.

Group statement of total recognised gains and losses for the year ended 31 March 2015

	31 Mar 15 £	31 Mar 14 £
Profit/(loss) for the financial year	(636,985)	(784,812)
Total recognised gains and losses relating to the year	(636,985)	(784,812)
Total gains and (losses) recognised since last annual report	(636,985)	(784,812)

REGISTRATION NUMBER: 03621123

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

BALANCE SHEETS AS AT 31 MARCH 2015

		Group		Company	
		31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Note	£	£	£	£
Fixed assets					
Tangible assets	8	-	-	-	-
Investments	9	-	-	-	4,549,117
		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,549,117</u>
Current assets					
Debtors: amounts falling due within one year	10	51,704	51,397	94,507	94,507
Debtors: amounts falling due after more than one year	10	-	-	-	-
Cash at bank and in hand		1,847,525	3,407,537	-	-
		<u>1,899,229</u>	<u>3,458,934</u>	<u>94,507</u>	<u>94,507</u>
Creditors: amounts falling due within one year	11	(21,548,839)	(22,009,059)	(23,698,498)	(23,235,998)
Net current liabilities		<u>(19,649,610)</u>	<u>(18,550,125)</u>	<u>(23,603,991)</u>	<u>(23,141,491)</u>
Total assets less current liabilities		<u>(19,649,610)</u>	<u>(18,550,125)</u>	<u>(23,603,991)</u>	<u>(18,592,374)</u>
Creditors: amounts falling due after more than one year	12	(61,436,770)	(61,899,270)	(61,436,770)	(61,899,270)
Minority interest	22	-	-	-	-
		<u>(81,086,380)</u>	<u>(80,449,395)</u>	<u>(85,040,761)</u>	<u>(80,491,644)</u>
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	(81,495,092)	(80,858,107)	(85,449,473)	(80,900,356)
Total shareholders' deficit	16	<u>(81,086,380)</u>	<u>(80,449,395)</u>	<u>(85,040,761)</u>	<u>(80,491,644)</u>

The financial statements on pages 8 to 21 were approved by the Board on 01 December 2015.

A R Hill
Director

REGISTRATION NUMBER: 03621123

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

GROUP CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015

	31-Mar-15 £	31-Mar-14 £
Net cash outflow from operations (Note A)	(1,561,754)	(465,375)
Returns on investments and servicing of finance		
Interest received	2,445	3,989
Net cash inflow for returns on investments and servicing of finance	2,445	3,989
Corporation tax	(703)	(947)
Taxation	(703)	(947)
Capital expenditure and financial investment		
Receipts from the sale of tangible fixed assets	-	-
Net cash inflow/(outflow) for capital expenditure and financial investment	-	-
Net cash (outflow)/inflow before management of liquid resources and financing	(1,560,012)	(462,333)
Net decrease in cash for the year	(1,560,012)	(462,333)

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

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

	31-Mar-15 £	31-Mar-14 £
Operating profit/(loss)	(639,430)	(688,324)
Depreciation of tangible fixed assets	-	-
Profit on disposal of tangible fixed assets	-	(100,000)
(Increase)/decrease in debtors for the year	(307)	10,750,117
Decrease in creditors for the year	(922,017)	(10,427,168)
Net cash outflow for the period	(1,561,754)	(465,375)

B Analysis of changes in net cash/(debt)

	31-Mar-14 £	Cash flow £	31-Mar-15 £
Cash at bank and in hand	3,407,537	(1,560,013)	1,847,524
	3,407,537	(1,560,013)	1,847,524
Debt due within one year	(20,269,884)	-	(20,269,884)
	(20,269,884)	-	(20,269,884)
	(16,862,347)	(1,560,013)	(18,422,360)

C Reconciliation of net cash flow to movement in net debt

	31-Mar-15 £	31-Mar-14 £
Net cash decrease for the year	(1,560,013)	(462,333)
Cash outflow from decrease in debt	-	1,638,235
Change in net debt resulting from cash flows	(1,560,013)	1,175,902
Opening net debt	(16,862,347)	(18,038,249)
Opening net debt	(16,862,347)	(18,038,249)
Closing net debt	(18,422,360)	(16,862,347)

D Cash balances held

Cash includes an amount of £nil (2014: £nil) 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 2015

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 for the year ended 31 March 2015 are prepared on a non going concern basis 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 2015. 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 2015

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 2015

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. No adjustments were 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.

On 25 February 2014, the Group sold the remaining residual outstanding HP contracts and loan agreements. The Group will continue to manage the bank accounts associated with the loan agreements on behalf of the purchaser for the foreseeable future, however it no longer owns any agreements or intends issuing any new agreements. Pending the discharge of responsibilities to manage the bank accounts associated with the loan agreements, the director plans to liquidate the Company. Liquidation is not expected to occur until after December 2015.

The directors also note the Group has net liabilities as at 31 March 2015 of £81m and, based upon known and current expectations of liabilities to third parties, it is unlikely that the loan notes of £82m 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.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

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 loss

The operating loss (2014: loss) is stated after charging/(crediting):

	31-Mar-15	31-Mar-14
	£	£
Other operating lease rentals	0	120,242
Depreciation- owned tangible fixed assets	0	0
Profit on disposal of tangible fixed assets	0	(100,000)
Auditors' remuneration:		
Audit fee	40,000	60,000
Other services	0	0
Profit on disposal	0	(1,494,726)
Deferred consideration receivable from group companies	0	0

4 Other interest receivable and similar income

	31-Mar-15	31-Mar-14
	£	£
Bank interest receivable	2,445	3,989

5 Interest payable and similar charges

	31-Mar-15	31-Mar-14
	£	£
Interest payable on bank borrowing	-	-

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

6 Tax on loss on ordinary activities

	31-Mar-15 £	31-Mar-14 £
Domestic current year tax		
Charge for the year	0	477
Total current tax	<u>0</u>	<u>477</u>
Deferred tax		
Deferred tax	-	-
Tax on loss on ordinary activities	<u>0</u>	<u>477</u>
Factors affecting the tax charge		
Loss on ordinary activities before taxation	<u>(636,985)</u>	<u>(784,335)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2014: 23%)	<u>(133,767)</u>	<u>(180,397)</u>
Effects of:		
Non deductible expenses	0	0
Excess depreciation over capital allowances	-	0
Tax losses arising in the year carried forward	-	-
Tax losses carried forward	133,767	180,874
Other timing differences	-	-
Prior Year adjustment	-	-
	<u>133,767</u>	<u>180,874</u>
Current tax (credit) charge for the period	<u>0</u>	<u>477</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 loss for the financial year was £4,549,117 (2014: loss £784,812)

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

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 31 March 2013	-	-	-	-
Impairments	-	-	-	-
Accumulated Depreciation				
At 31 March 2013	-	-	-	-
Impairments	-	-	-	-
Net book value				
At 31 March 2015	-	-	-	-
At 31 March 2013	-	-	-	-

In a transaction on 25th February 2014 the Company disposed of all of its tangible assets which had a book value of £nil for £100,000.

9 Investments - Company

Shares in group undertakings and interests in other entities

	£
Cost	
At 1 April 2014 and at 31 March 2015	74,820,266
Provision for diminution in value	
At 1 April 2014	70,271,149
Provision taken in the year	4,549,117
At 31 March 2015	74,820,266
Net book value	
At 31 March 2015	-
At 31 March 2014	4,549,117

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.

The Company's subsidiary BCTL has recognised an impairment of the inter-company debt owed to it by CFAC for accounting purposes, on the basis that insufficient assets remain in the group to repay the debt in full. However, the intention of the directors and the shareholders is to effect an orderly wind down of the business of the Company and its subsidiaries, meeting all third party liabilities as they fall due. On various dates between 1999 and 2010, the Company and BCTL have granted security over their assets in favour of the creditors of the Company and BCTL under the Warehouse Debt and other facilities which remains in force. The group retains a cash reserve to meet known and expected liabilities to third parties. To the extent that insufficient assets are available to repay debt owed to shareholders in full, it is the expectation of the directors and the shareholders that such excess amounts will be waived or capitalised to enable a solvent liquidation of the group in due course provided the cash reserves in the business are sufficient to meet all known and future liabilities to third parties as they fall due. Some uncertainty has arisen regarding the adequacy of this cash reserve following the Plevin judgement in the Supreme Court and a consequent statement from the FCA proposing the introduction of new rules (the form of which is not yet finalised) on its application.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

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
BCT Warehouse Limited Principal activity: Consumer credit finance funder	Ordinary	100
BCT Conduit Limited Principal activity: Consumer credit finance funder	Ordinary	100
British Credit Trust Management Limited Principal activity: Consumer credit finance funder	Ordinary	100

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

10 Debtors

	Group		Company	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	£	£	£	£
Trade debtors	51,800			
Amounts falling due within one year:				
Amounts owed by group undertakings	(107)	-	94,496	94,496
Amounts receivable in respect of hire purchase contracts	-	-	-	-
Other debtors	11	9,011	11	11
Prepayments and accrued income	-	42,386	-	-
	<u>51,704</u>	<u>51,397</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	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>51,704</u>	<u>51,397</u>	<u>94,507</u>	<u>94,507</u>

11 Creditors: amounts falling due within one year

	Group		Company	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	£	£	£	£
Other loans (see note 13)	20,269,884	20,269,884	-	-
Trade creditors	68,149	177,740	-	-
Amounts owed to group undertakings	-	-	23,698,498	23,235,998
Corporation tax	477	1,180	-	-
Other taxes and social security costs	707,401	723,816	-	-
Other creditors	-	-	-	-
Accruals and deferred income	502,928	836,439	-	-
	<u>21,548,839</u>	<u>22,009,059</u>	<u>23,698,498</u>	<u>23,235,998</u>

12 Creditors: amounts falling due after more than one year

	Group		Company	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	£	£	£	£
Directors' loans	12,216,575	12,309,075	12,216,575	12,309,075
Seven Mile Capital Partners Founders Fund, LP	49,220,195	49,590,195	49,220,195	49,590,195
	<u>61,436,770</u>	<u>61,899,270</u>	<u>61,436,770</u>	<u>61,899,270</u>

On various dates between 1998 and 2010 the Company and various of its subsidiaries entered in to fixed and floating charges over the assets via debentures.

These loans represent:

£61,436,770 owed by the company under the above loan note facility following the assumption by it of part of the British Credit Trust Limited's liabilities thereunder pursuant to a novation agreement dated 2 February 2010

Adrian Hill a director of the Company acquired 20% and Seven Mile Capital Partners Founders Fund, LP acquired 80% of the benefit of the sums due under the above warehouse agreement in 2011, together with the benefit of sums due from the Company under certain note issuance facilities which have since been repaid in full by the company.

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

13 Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	£	£	£	£
Amounts falling due within one year or on demand:				
Warehouse facilities	20,269,884	20,269,884	-	-
	<u>20,269,884</u>	<u>20,269,884</u>	<u>-</u>	<u>-</u>

These loans represent:

£20,269,884 owed by British Credit Trust Limited under a warehouse facility agreement originally entered into between Nikko Europe Plc and British Credit Trust Limited on 4 September 1998;

Adrian Hill a director of the Company acquired 20% and Seven Mile Capital Partners Founders Fund, LP acquired 80% of the benefit of the sums due under the above warehouse agreement in 2011.

14 Called up share capital

			Company	
			31-Mar-15	31-Mar-14
			£	£
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 2015 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 2015

15 Profit and Loss Account

Group

	Share premium reserve account £	Profit and loss account £
At 1 April 2014	408,698	(80,858,107)
Profit for the financial year	-	(636,985)
Acquisition of minority interest		-
At 31 March 2015	<u>408,698</u>	<u>(81,495,093)</u>

Company

	Share premium reserve £	Profit and loss account £
At 1 April 2014	408,698	(80,900,356)
Profit for the financial year	-	(4,549,117)
At 31 March 2015	<u>408,698</u>	<u>(85,449,473)</u>

16 Reconciliation of movements in shareholders' deficit

	Group		Company	
	31-Mar-15 £	31-Mar-14 £	31-Mar-15 £	31-Mar-14 £
Profit/(Loss) for the financial year	(636,985)	(784,812)	(4,549,117)	(786,408)
	<u>(636,985)</u>	<u>(784,812)</u>	<u>(4,549,117)</u>	<u>(786,408)</u>
Acquisition of minority interest	-	9,543		
Opening shareholders' deficit	(80,449,395)	(79,674,126)	(80,491,644)	(79,705,236)
Closing shareholders' deficit	<u>(81,086,381)</u>	<u>(80,449,395)</u>	<u>(85,040,761)</u>	<u>(80,491,644)</u>

17 Financial commitments

At 31 March 2015, the group had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings		Other	
	31-Mar-15 £	31-Mar-14 £	31-Mar-15 £	31-Mar-14 £
Operating leases which expire:				
Within one year	-	-	-	-
Within two to five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

18 Directors' emoluments

	31-Mar-15	31-Mar-14
	£	£
Aggregate emoluments	25,514	509,766
Company pension contributions to money purchase schemes	-	-
Compensation to director for loss of office	-	-
	<u>25,514</u>	<u>509,766</u>
Information regarding highest paid director is as follows:		
Aggregate emoluments	25,514	509,766
Company pension contributions to money purchase schemes	-	-
	<u>25,514</u>	<u>509,766</u>

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

	31-Mar-15	31-Mar-14
	Number	Number
Money purchase scheme	-	-

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 31/03/2015 under the Long Term Incentive Plan agreement were £37,500 (2014: £837,735).

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-15	31-Mar-14
	Number	Number
By activity:		
Administration	<u>2</u>	<u>12</u>

The aggregate payroll costs of the above were:

	31-Mar-15	31-Mar-14
	£	£
Wages and salaries	154,050	1,457,793
Social security costs	17,516	213,443
Other pension costs (note 20)	2,880	314,568
	<u>174,446</u>	<u>1,985,804</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 £2,880 (2014: £314,568) and have been recognised in the profit and loss account. As at the balance sheet date, contributions amounting to £720 (2014: £240) 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-15	31-Mar-14
	£	£
Excess of book depreciation over tax allowances	545,901	545,901
Corporation tax losses carried forward	11,381,100	12,901,506
	<u>11,927,001</u>	<u>13,447,407</u>

CONSUMER FINANCE ACQUISITIONS CO. LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

21 Deferred Taxation - continued

Company	31-Mar-15	31-Mar-14
	£	£
Corporation tax losses carried forward	323,298	354,088
	<u>323,298</u>	<u>354,088</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	13,447,407	354,088
Adjustment in respect of prior year	-	-
Net utilisation of tax losses in the year	133,767	-
Excess of tax allowances over book depreciation	-	-
Impact of tax rate change	(1,654,173)	(30,790)
Unrecognised deferred tax asset at year end	<u>11,927,001</u>	<u>323,298</u>

22 Minority Interests

	Group	
	31-Mar-15	31-Mar-14
	£	£
Profit for the financial year	-	-
Acquisition of minority interest	-	9,543
Opening minority interest	-	9,543
Closing minority interest	<u>-</u>	<u>-</u>

23 Related parties

Loan notes of £92,500 held by Adrian Hill were repaid during the financial year, and loan notes of £370,000 held by the ultimate parent company Seven Mile Capital Partners Founders Fund, LP were repaid during the financial year.

24 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