

Apex Credit Management Funding Limited

**Directors' report and financial
statements**

Registered number 06563610

31 December 2010



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Directors' report

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

Principal activities

The principal activity of the company in the year was that of an investment company

Review of business, results and dividends

The results for the year are set out in the profit and loss account on page 5

The directors do not recommend the payment of a dividend (year ended 31 December 2009 £nil)

Subsequent Events

On 7 April 2011, the ultimate controlling party, AnaCap Financial Partners LP, purchased Pall Mall Finance Limited, the ultimate controlling party of Cabot Financial Group Limited. The purchase was completed with the aim of merging the Apex Credit Management Holdings Limited and Cabot Financial Group Limited groups. The details of the impact of this and associated transactions on the company is set out in note 11.

Going Concern

The financial statements are prepared on a going concern basis, as the directors are satisfied that the company has the resources to continue in business for the foreseeable future. In making this assessment, the directors have considered a wide range of information relating to present and future conditions.

Directors

The directors who held office during the year were as follows:

N Clyne

JS Telford (resigned 12 January 2011)

Subsequent to the period end, on 5 April 2011, S Mound was appointed as a Director. Also, on 8 June 2011, JD Randall and GP Crawford were appointed as Directors.

Political and charitable contributions

The company made no political or charitable donations and incurred no political expenditure during the period.


Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

KPMG Audit Plc was appointed to act as auditor of the company's financial statements. After the completion of these accounts, KPMG Audit Plc will resign and Deloitte LLP will be appointed in its place.

By order of the board



Director 22 December 2011

Apex House
27 Arden Street
Stratford-upon-Avon
Warwickshire
CV37 6NW

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

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

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

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

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Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Apex Credit Management Funding Limited

We have audited the financial statements of Apex Credit Management Funding Limited for the year ended 31 December 2010 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.fic.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Apex Credit Management
Funding Limited** *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Kieren Cooper (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

24 December 2011

Profit and loss account
for the year ended 31 December 2010

	<i>Note</i>	Year end 31 December 2010 £000	Year end 31 December 2009 £000
Other interest receivable and similar income	5	662	347
Interest payable and similar charges	6	(662)	(347)
Write off of debtors	2	-	(773)
Write off of amounts owed to group companies	2	-	773
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation			-
Tax on profit/(loss) on ordinary activities	7	-	-
		<hr/>	<hr/>
Result for the financial year		-	-
		<hr/>	<hr/>

The company has no recognised gains or losses, other than those presented in the profit and loss account above and therefore no statement of recognised gains and losses has been presented

All the results relate to the company's continuing operations


The notes on pages 8 to 10 form part of the financial statements

Balance sheet
at 31 December 2010

	<i>Note</i>	Year end 31 December 2010 £000	Year end 31 December 2009 £000
Current assets			
Debtors (including £nil due after more than one year (2009 £9 079 000))	8	17,728	9,296
Creditors: Amounts falling due within one year	9	(17,728)	(9,296)
		<hr/>	<hr/>
Net current assets and total assets less current liabilities and net assets		-	-
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	-	-
		<hr/>	<hr/>
Shareholders' funds		-	-
		<hr/>	<hr/>

The notes on pages 8 to 10 form part of the financial statements

These financial statements were approved by the board of directors on ^{22 DECEMBER 2011} and were signed on its behalf by



Director

Company registered number 06563610

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2010

	Year end 31 December 2010 £000	Year end 31 December 2009 £000
Profit/(loss) for the financial period, retained profit and net addition to shareholders' funds	-	-
Opening shareholders' funds	-	-
Closing shareholders' funds	-	-

The notes on pages 8 to 10 form part of the financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost accounting rules

No cash flow statement has been prepared as the company is entitled to the exemptions granted by FRS1 for a subsidiary company included in a parent's consolidated accounts

The directors have a reasonable expectation that the company has adequate resources to continue for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements

Taxation

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

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

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

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

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount

Classification of financial instruments issued by the company

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- b) where the instrument will or may be settled in the company's own equity instruments it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

1 Accounting policies (continued)

Classification of financial instruments issued by the company (continued)

Finance payments associated with financial liabilities are recognised as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are recognised as appropriations in the reconciliation of movements in shareholders' funds.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Related party transactions

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose transactions or balances with entities which form part of the group as it is a wholly owned subsidiary of Apex Credit Management Holdings Limited whose consolidated group accounts are publically available.

2 Notes to the profit and loss account

In 2009, a loan waiver was signed by the company waiving the right to repayment of £773,000 of subordinated debt due from Apex Collections Limited. In addition, its sister company, Apex Credit Management Limited signed a loan waiver to waive its right to repayment of £773,000 owed by the company. These transactions have resulted in a write off of subordinated debtor balances and write off of inter company creditor balances both of £773,000 during the year.

Amounts receivable for the audit of these financial statements of £4,000 (2009 £4,000) by the company's auditor have been borne by its sister company, Apex Credit Management Limited.

3 Remuneration of directors

The company made no emoluments to the directors during the year (2009 £Nil).

4 Staff numbers and costs

The company had no employees during the year to 31 December 2010 (2009 none).

5 Other interest receivable and similar income

	Year ended 31 December 2010 £000	Year ended 31 December 2009 £000
Other	662	347

6 Interest payable and similar charges

	Year ended 31 December 2010 £000	Year ended 31 December 2009 £000
Payable to group undertakings	662	347

7 Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010, nor for the period ended 31 December 2009

8 Debtors

	Year end 31 December 2010 £000	Year end 31 December 2009 £000
Other debtors	17,728	9,296

9 Creditors: Amounts falling due within one year

	31 December 2010 £000	31 December 2009 £000
Amounts owed to group undertakings	17,728	9,296

10 Called up share capital

	31 December 2010 £	31 December 2009 £
<i>Authorised</i>		
Ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid.</i>		
Ordinary shares of £1 each	1	1

11 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Macrocom (948) Limited, a company registered in England and Wales. The ultimate parent company and ultimate controlling party is AnaCap Financial Partners LP, the principal shareholder of Apex Credit Management Holdings Limited, which holds the entire share capital of Macrocom (948) Limited.

On 7 April 2011, the ultimate controlling party, AnaCap Financial Partners LP, purchased Pall Mall Finance Limited, the ultimate holdings company of Cabot Financial Group Limited. The purchase was completed with the aim of merging the Apex Credit Management Holdings Limited and Cabot Financial Group Limited groups.

As part of this transaction, the entire share capital of Apex Credit Management Funding Limited was purchased by Apex Credit Management Limited, an indirect subsidiary of Cabot Financial Group Limited and AnaCap Financial Partners LP, which continues, therefore, to be the company's ultimate controlling party.