



ASSET ALLIANCE GROUP HOLDINGS LIMITED

Registered number: 07726176

**Financial Statements
For the period ended 31 December 2012**

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ASSET ALLIANCE GROUP HOLDINGS LIMITED

Financial Statements For the period ended 31 December 2012

Contents	Page
Company Information	1
Report of the Directors	2
Report of the Auditor	4
Group Profit and Loss Account	6
Group Balance Sheet	7
Company Balance Sheet	8
Group Cash Flow Statement	9
Notes to the Group Cash Flow Statement	10
Notes to the Financial Statements	11

ASSET ALLIANCE GROUP HOLDINGS LIMITED

1

Company Information

Directors

A T Evans
J S Jenkins
D B McArthur
R J McDougall
W H Paterson

Registered Office

Edwin House
Boundary Industrial Estate
Stafford Road
Wolverhampton
WV10 7EL

Registered Number

07726176

Auditor

Scott-Moncrieff
Chartered Accountants
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

**Report of the Directors
For the period ended 31 December 2012**

The directors present their report with the financial statements of the group and company for the period ended 31 December 2012

Review of business

The principal activity of the company is to act as a holding company for investments in a group of companies engaged in contract hire and lease of commercial vehicles, and the sale, rental and refurbishment of trailers and commercial vehicles

The company is non-trading and acts only to hold investment in its wholly owned subsidiary Asset Alliance Finance Limited and Management Loans Notes for the directors. Interest is accrued on a daily basis at an annual rate of 8% on the Management Loan Notes. Interest accrued in the year was as expected

Future developments

The results for the period and financial position of the group and company are as shown in the annexed financial statements

The group's ultimate controlling party is CS Capital Partners III L P a fund managed by Cabot Square Capital L L P. Using the substantial capital investment available from CS Capital Partners III L P the group will look to develop and grow its position in the market

Key performance indicators

The directors consider turnover, gross profit and profit before tax as the key performance indicators of the group

The directors are satisfied with the performance of the group in a challenging economy and market place. Using the funds it has available the group will seek to increase its stock and asset base in order to grow sales and gross profit

Risks and uncertainties

The continued pressure on the economy as a whole brings uncertainty to the marketplace and the risk of a further downturn is something that we consider regularly. However, these are conditions faced by all our competitors and are mitigated by our determination to drive the business forward, continually explore new markets and sales avenues and keep a tight control of costs. Due to the funding from CS Capital Partners III L P, liquidity is not considered a significant risk. A letter of support has been obtained from CS Capital Partners III L P confirming its support of the group

The Board of Directors meet monthly to discuss the detailed management accounts, which highlight the results for the month and year to date, as well as key performance indicators. Budgets are also reviewed regularly and closely monitored

We consider the financial performance of the business to be satisfactory and look forward to the challenges of the year ahead

Dividends and transfers to reserves

The group loss for the period, after taxation, amounted to £2,450,213. No dividend is payable

Directors

The directors of the company in office during the year were as follows -

A T Evans	(appointed on 15 December 2011)
J S Jenkins	(appointed on 15 December 2011)
D B McArthur	(appointed on 15 December 2011)
R J McDougall	(appointed on 2 August 2011)
W H Paterson	(appointed on 15 December 2011)

**Report of the Directors
For the period ended 31 December 2012**

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 group and company 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 estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company formation and change of name

The company was incorporated on 2 August 2011 as CVCH Holdings Limited. On 1 December 2011 the name was changed to Asset Alliance Group Holdings Limited.

Disclosure of information to the auditor

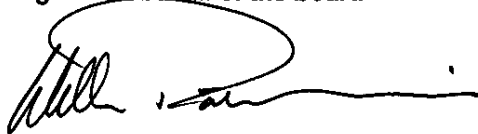
To the knowledge and belief of each of the persons who are directors at the time the report is approved

- So far as the directors are aware, there is no relevant information of which the company's auditor is unaware, and
- He 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 auditor is aware of the information

Auditor

The auditor, Scott-Moncrieff, was appointed in the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the board



**W H Paterson
Director**

Dated 21 May 2013

Report of the Independent Auditor to the Members of Asset Alliance Group Holdings Limited

We have audited the financial statements of Asset Alliance Group Holdings Limited for the period ended 31 December 2012 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes. 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).

This report is made solely to the group and parent 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 group and parent 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 group and parent company and the group and parent 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 auditors

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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and parent 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 Report of the Directors 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2012 and of the group's loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

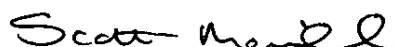
In our opinion the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditor to the Members of Asset Alliance Group Holdings Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Bernadette Higgins, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow G2 6NL

Dated 21 May 2013

Group Profit and Loss Account
For the period ended 31 December 2012

	Notes	17 months to 31.12.12 £
Turnover	2	13,171,384
Cost of sales		(10,491,403)
Gross profit		<u>2,679,981</u>
Administrative expenses		(4,164,422)
Other operating income		26,274
Operating loss	5	<u>(1,458,167)</u>
Interest receivable		481
Interest payable	7	<u>(979,369)</u>
Loss on ordinary activities before taxation		<u>(2,437,055)</u>
Tax on loss on ordinary activities	8	<u>(13,158)</u>
Loss for the financial period after taxation		<u><u>(2,450,213)</u></u>

Total recognised gains and losses

Asset Alliance Group Holdings Limited was incorporated on 2 August 2011

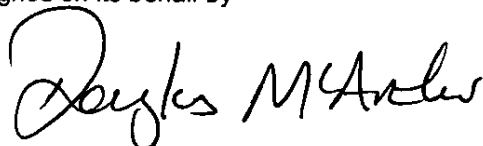
The group has no recognised gains or losses for the above period other than those included in the profit and loss account

All disclosures relate to acquired operations of the group

Group Balance Sheet
As at 31 December 2012

	Notes	2012 £	£
Fixed assets			
Intangible assets	9		3,231,757
Tangible assets	10		8,004,189
			<u>11,235,946</u>
Current assets			
Stocks	12	6,097,293	
Debtors	13	1,691,299	
Cash at bank and in hand		5,128,655	
		<u>12,917,247</u>	
Creditors: Amounts falling due within one year	14	(5,245,602)	
Net current assets			<u>7,671,645</u>
Total assets less current liabilities			<u>18,907,591</u>
 Creditors: Amounts falling due after more than one year	15		21,309,324
Provisions for liabilities	16		47,317
 Capital and reserves			
Called up share capital	17	1,163	
Profit and loss account	18	(2,450,213)	
Shareholders' funds	19		<u>(2,449,050)</u>
			<u><u>18,907,591</u></u>

These financial statements were authorised for issue by the board of directors on 21 May 2013 and signed on its behalf by -



D B McArthur
Director

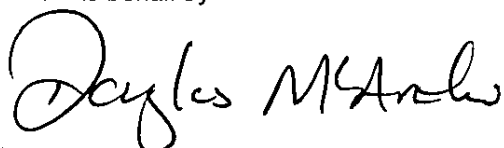
Company registered number: 07726176

The notes form part of these financial statements

Company Balance Sheet
As at 31 December 2012

	Notes	2012 £	£
Fixed assets			
Investments	11		4,829,262
Current assets			
Debtors	13	671	
Cash at bank and in hand		218	
		<u>889</u>	
Creditors: Amounts falling due within one year	14	<u>(2,600)</u>	
Net current liabilities			<u>(1,711)</u>
Total assets less current liabilities			<u>4,827,551</u>
 Creditors: Amounts falling due after more than one year	15		5,164,508
Capital and reserves			
Called up share capital	17	1,163	
Profit and loss account	18	<u>(338,120)</u>	
Shareholders' funds	19		<u>(336,957)</u>
			<u>4,827,551</u>

These financial statements were authorised for issue by the board of directors on 21 May 2013 and signed on its behalf by -



D B McArthur
Director

Company registered number 07726176

The notes form part of these financial statements

Group Cash Flow Statement
For the period ended 31 December 2012

	Note	17 months to 31.12.12 £
Net cash (outflow) from operating activities	1	(4,291,159)
Returns on investments and servicing of finance	2	(978,888)
Taxation		
Corporation tax paid		(13,158)
Capital expenditure	3	(12,707,847)
Financing	4	22,347,934
		<u>4,356,882</u>
Reconciliation of net cash flow to movement in net funds		
Movement in net funds in the period		4,356,882
Net funds at 2 August 2011		-
Net funds at 31 December 2012	5	<u><u>4,356,882</u></u>

Notes to the Group Flow Statement
For the period ended 31 December 2012

		17 months to 31.12.12 £			
1.	Reconciliation of operating profit to net cash outflow from operating activities				
	Operating loss	(1,458,167)			
	Depreciation charges	527,147			
	Amortisation of goodwill	929,167			
	Loss on disposal of tangible fixed assets	15,587			
	Movement in stocks	(6,097,293)			
	Movement in debtors	(1,691,299)			
	Movement in creditors	3,436,382			
	Movement in deferred tax	47,317			
	Net cash outflow from operating activities	(4,291,159)			
2.	Returns on investments and servicing of finance	17 months to 31.12.12 £			
	Interest received	481			
	Interest paid	(881,664)			
	Finance element of hire purchase contracts	(97,705)			
		(978,888)			
3.	Capital expenditure	17 months to 31.12.12 £			
	Tangible assets acquired on investment	(694,396)			
	Purchase of tangible fixed assets	(10,332,635)			
	Sale of tangible fixed assets	2,480,108			
	Additions of intangible fixed assets	(4,160,924)			
		(12,707,847)			
4.	Financing	17 months to 31.12.12 £			
	Capital element of hire purchase contracts	6,473,086			
	Receipts from issuing shares	1,163			
	Directors' loans and loan notes	15,873,685			
		22,347,934			
5.	Analysis of changes in net funds	2 August 2011 £	Cash flows £	Other changes £	31 December 2012 £
	Cash at bank and in hand	-	5,128,655	-	5,128,655
	Bank overdraft	-	(771,773)	-	(771,773)
		-	4,356,882	-	4,356,882
	Debt due within one year	-	(1,037,447)	-	(1,037,447)
	Debt due after more than one year	-	(21,309,324)	-	(21,309,324)
		-	(17,989,889)	-	(17,989,889)

Notes to the Financial Statements
For the period ended 31 December 2012

1 Accounting policies

Going concern

The directors consider that it is appropriate to prepare the financial statements on a going concern basis, due to the continued support which the group expects to receive from its ultimate controlling company, CS Capital Partners III LP

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards

Basis of consolidation

The group financial statements consolidate the financial statements of Asset Alliance Group Holdings Limited and its subsidiaries for the period ending 31 December 2012

When a subsidiary is acquired during the year, its results are included in the profit and loss account from the date of acquisition. The difference between the cost of acquisition and the fair value of the net assets acquired is capitalised and amortised on a straight line basis over its useful economic life

Turnover

Turnover represents the value of goods and services supplied during the year, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life less any expected residual value

Leasehold property	-	2, 5 or 10 years straight line
Plant and machinery	-	20% straight line basis
Equipment, fixtures and fittings	-	20% straight line basis
Motor vehicles – commercial	-	Over the lease period
Motor vehicles – company cars	-	Over 2 years
Rental fleet	-	20% reducing balance

Stocks

Stock is valued at the lower of cost and estimated net realisable value

The cost of consumable stocks is determined on the first in, first out basis and is based on suppliers' invoice price. Net realisable value is the price at which the stock can be realised in the normal course of business, less further costs to completion of sale where applicable

**Notes to the Financial Statements
For the period ended 31 December 2012****1 Accounting policies****Deferred taxation**

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

A 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 on a non-discounted basis, 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 substantively enacted by the balance sheet date

Operating Leases

Rentals under operating leases are charged to the profit and loss account as they fall due

Operating lease income is recognised on a straight line basis over the term of the lease

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives or the lease term, whichever is shorter

The interest element of these obligations is charged to the profit and losses account over the relevant period. The capital element of the future payments is treated as a liability

Intangible fixed assets

Goodwill is stated at cost and is amortised over 5 years

Pensions

The group operates defined contribution schemes. The assets and liabilities of the schemes are held separately from those of the group in an independently administered fund. The contributions payable by the group are recognised on an accruals basis

Investments

Fixed asset investments are stated at cost, less any provisions required where there has been a permanent diminution in their value

2. Turnover

The turnover and profit before taxation is attributable to the principal activity of the group

Notes to the Financial Statements
For the period ended 31 December 2012

3. Other operating income	17 months to 31.12.12
	£
Rent received	18,742
Other operating income	7,532
	<u>26,274</u>
4. Staff costs (including directors' emoluments)	17 months to 31.12.12
	£
Wages and salaries	2,014,853
Social security costs	240,092
Other pension costs	60,000
	<u>2,314,945</u>
The average monthly number of employees during the period was as follows -	No.
Selling and admin	31
Drivers	1
Mechanics	18
	<u>50</u>
5. Operating loss	17 months to 31.12.12
The operating loss is stated after charging	
Directors' emoluments	609,000
Staff costs	1,705,945
Total staff costs	<u>2,314,945</u>
Depreciation of owned assets	178,342
Depreciation of assets under finance leases and HP	348,805
Loss on disposal of fixed assets	15,587
Auditors' remuneration – audit fee	20,250
Auditors' remuneration – fees for non-audit services	5,880
Operating lease rentals – land and buildings	355,532
Operating lease rentals – others	<u>195,222</u>

Notes to the Financial Statements
For the period ended 31 December 2012

6. Directors' remuneration	17 months to 31.12.12 £
Directors' remuneration qualifying services	
Emoluments	583,470
Contributions to money purchase pension scheme	60,000
	<hr/>
Directors' emoluments	643,470
	<hr/>
Included in the directors' emoluments is £34,470 of benefits in kind	
The remuneration of the highest paid director was £163,969	
Number of directors to whom retirement benefits are accruing under Money purchase scheme	No. 4
	<hr/>
7. Interest payable	17 months to 31.12.12 £
On bank loans and overdrafts	6,876
Credit card charges	431
On obligations under finance lease and hire purchase	97,705
Interest payable to CS Capital Partners III LP	538,844
Interest due on loan notes	335,513
	<hr/>
	979,369
	<hr/>
8. Taxation	17 months to 31.12.12 £
The tax charge on the loss on ordinary activities for the period was as follows -	
UK corporation tax	13,158
Deferred tax	-
	<hr/>
	13,158
	<hr/>

Notes to the Financial Statements
For the period ended 31 December 2012

9. Intangible fixed assets							Goodwill
Group							£
Cost:							
At 2 August 2011							-
Additions							4,160,924
At 31 December 2012							<u>4,160,924</u>
Amortisation:							
At 2 August 2011							-
Amortised in the period							929,167
At 31 December 2012							<u>929,167</u>
Net Book Value:							
At 31 December 2012							<u><u>3,231,757</u></u>
10 Tangible fixed assets							
Group	Leasehold property	Plant and machinery	Equipment, fixtures and fittings	Motor vehicles	Rental fleet	Total	
	£	£	£	£	£	£	
Cost:							
At 2 August 2011							
Acquired on investment	234,874	163,649	76,291	242,830	498,785	1,216,429	
Additions	28,920	14,863	19,110	10,269,742	-	10,332,635	
Disposals	-	-	-	(2,545,162)	-	(2,545,162)	
At 31 December 2012	<u>263,794</u>	<u>178,512</u>	<u>95,401</u>	<u>7,967,410</u>	<u>498,785</u>	<u>9,003,902</u>	
Depreciation:							
At 2 August 2011							
Acquired on investment	68,821	133,042	62,625	104,795	152,750	522,033	
Charge for the period	49,847	12,583	6,216	389,294	69,207	527,147	
Eliminated on disposals	-	-	-	(49,467)	-	(49,467)	
At 31 December 2012	<u>118,668</u>	<u>145,625</u>	<u>68,841</u>	<u>444,622</u>	<u>221,957</u>	<u>999,713</u>	
Net Book Value							
At 31 December 2012	<u><u>145,126</u></u>	<u><u>32,887</u></u>	<u><u>26,560</u></u>	<u><u>7,522,788</u></u>	<u><u>276,828</u></u>	<u><u>8,004,189</u></u>	

Included within fixed assets are assets held under finance lease or hire purchase contracts with a net book value of £6,746,979

The depreciation charge for the period includes £348,805 in respect of assets leased under finance lease or under hire purchase contracts

Included within fixed assets are assets held for use in operating leases. The cost of these assets is £7,713,648 and the accumulated depreciation is £343,126

Notes to the Financial Statements
For the period ended 31 December 2012

11 Investments

Company	Unlisted investments £
Cost:	
Additions	<u>4,829,262</u>

On 24 October 2011 the company acquired 100% of the share capital of a newly incorporated company, Asset Alliance Finance Limited, in exchange for an initial consideration of £4,000,267. As the company was acquired when it was incorporated, there were no assets and liabilities to be disclosed prior to acquisition. Costs in relation to the acquisition of £828,995 were capitalised.

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

Asset Alliance Finance Limited

Registered in England and Wales

Nature of business: A sub-parent company undertaking of a group of companies engaged in contract hire and leasing of commercial vehicles, and the sale and refurbishment of trailers and commercial vehicles.

Class of shares, Ordinary	2012
Holding 100%	£
Aggregate capital and reserves	3,458,819
(Loss) for the period	<u>(541,448)</u>

12. Stocks

	Group 2012 £	Company 2012 £
Consumable stock	16,059	-
Finished goods and goods for resale	6,081,234	-
	<u>6,097,293</u>	<u>-</u>

13. Debtors amounts falling due within one year

	Group 2012 £	Company 2012 £
Trade debtors	474,560	-
Other debtors	1,143,325	-
Amounts owned by group undertakings	-	671
Prepaid expenses and accrued income	73,414	-
	<u>1,691,299</u>	<u>671</u>

Notes to the Financial Statements
For the period ended 31 December 2012

14 Creditors amounts falling due within one year	Group 2012 £	Company 2012 £
Bank overdraft	771,773	-
Trade creditors	2,550,062	-
Other creditors	422,847	-
Other taxes and social security	78,752	-
Accruals and deferred income	384,721	2,600
Net obligations under finance leases and hire purchase contracts	1,037,447	-
	<u>5,245,602</u>	<u>2,600</u>
Secured creditors	<u>1,809,220</u>	<u>-</u>
15. Creditors: amounts falling due after more than one year	Group 2012 £	Company 2012 £
Net obligations under finance leases and hire purchase contracts	5,435,639	-
Amounts owed to group undertakings	-	828,995
Directors' loans (including accrued interest)	4,335,513	4,335,513
Amounts owed to related parties	11,538,172	-
	<u>21,309,324</u>	<u>5,164,508</u>
Analysed as		
Repayable in between one and two years	-	828,995
Repayable in between two and five years	20,741,004	4,335,513
Repayable in greater than five years	568,320	-
	<u>21,309,324</u>	<u>5,164,508</u>
Secured creditors	<u>5,435,639</u>	<u>-</u>

HSBC has an unlimited Multilateral Guarantee dated 9 February 2012 given by Asset Alliance Group Holdings Limited, Asset Alliance Finance Limited, ATE Truck and Trailer Sales Limited and Assets Alliance Limited

HSBC have a debenture including a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debts, chattels, goodwill and uncalled capital both present and future, and a first floating charge over all assets and undertaking both present and future, dated 10 May 2010

Within Asset Alliance Limited, securities are held by Mercedes Benz Finance Ltd, ING Lease UK Ltd, Deutsche Leasing (UK) Ltd, Lombard North Central PLC, VFS Financial Services Ltd and Shawbrook Bank Ltd until the finance lease and hire purchase contracts have been fully paid

Notes to the Financial Statements
For the period ended 31 December 2012

15. Creditors amounts falling due after more than one year (continued)

Asset Alliance Group Holdings Limited has provided a guarantee to Deutsche Leasing (UK) Ltd, Mercedes Benz Finance Ltd and Shawbrook Bank Ltd in respect of assets purchased by Asset Alliance Limited under finance leases and hire purchase agreements

Asset Alliance Finance Limited has provided guarantees to ING Lease UK Ltd, Lombard North Central PLC, VFS Financial Services Ltd and Shawbrook Bank Ltd in respect of assets purchased by Asset Alliance Limited under finance leases and hire purchase agreements

ATE Truck & Trailer Sales Limited has provided guarantees to ING Lease UK Ltd and Shawbrook Bank Ltd in respect of assets purchased by Asset Alliance Limited under finance leases and hire purchase agreements

16. Provisions for liabilities	Group 2012 £	Company 2012 £
Accelerated capital allowances	47,317	-
Provision acquired on investment	47,317	-
Deferred tax charge in profit and loss account	-	-
Provision at end of the period	47,317	-
17 Called up share capital		Group and Company 2012 £
Allotted, called up and fully paid Equity shares		
1 Deferred share at £1 each		1
64,655 A shares at 1p each		647
25,000 B shares at 1p each		250
10,345 C shares at 1p each		103
16,164 D shares at 1p each		162
		1,163

The rights attached to the A shares are as follows

- a) these shares carry the right to vote at general meetings of the company,
- b) these shares carry the right to a dividend, and
- c) these shares carry the right to capital on a distribution (including on wind up)

The rights attached to the B shares are as follows

- a) these shares do not carry the right to vote at general meetings of the company,
- b) these shares do not carry the right to a dividend, and
- c) these shares carry the right to capital on a distribution (including on wind up) after the A and C shares have received the Return Target

The rights attached to the C shares are as follows

- a) these shares do not carry the right to vote at general meetings of the company,
- b) these shares carry the right to a dividend, and
- c) these shares carry the right to capital on a distribution (including on wind up)

Notes to the Financial Statements
For the period ended 31 December 2012

17 Called up share capital (continued)

The rights attached to the D shares are as follows

- a) these shares carry the right to vote at general meetings of the company,
- b) these shares do not carry the right to a dividend, and
- c) these shares do not carry the right to capital on a distribution (including on wind up)

The deferred share holds no rights

The original share capital was £1. This has now been converted to a deferred share. 116,164 ordinary shares were issued during the period.

18. Reserves

	Group 2012 £	Company 2012 £
Loss for the period	(2,450,213)	(338,120)
At 31 December 2012	<u>(2,450,213)</u>	<u>(338,120)</u>

19 Reconciliation of movements in shareholders' funds

	2012 £
Group	
Loss for the financial period	(2,450,213)
New shares issued during the period	1,163
Opening shareholders' funds	-
Closing shareholders' funds	<u>(2,449,050)</u>
Company	
Loss for the financial period	(338,120)
New shares issued during the period	1,163
Opening shareholders' funds	-
Closing shareholders' funds	<u>(336,957)</u>

20. Leasing commitments

Operating leases
Group

The group's annual commitments for rental payments under non-cancellable operating leases at 31 December 2012 were as set out below

	2012 Land and buildings £	2012 Other £
Operating leases which expire		
Within one year	111,279	356
Within two to five years	19,612	169,296
Over five years	175,000	-
	<u>305,891</u>	<u>169,652</u>

**Notes to the Financial Statements
For the period ended 31 December 2012**

21. Transactions in which the directors have an interest

Asset Alliance Group Holdings Limited

During the period, the directors sold their shares in ATE Truck and Trailer Sales Limited and Asset Alliance Limited to the company for the total consideration of £4,000,000. W H Paterson received £1,200,000, A T Evans received £1,200,000, J S Jenkins received £1,200,000 and D B McArthur received £400,000. The directors reinvested the £4,000,000 into Asset Alliance Group Holdings Limited in the form of loan notes. At the period end, £335,513 interest was due to the directors. W H Paterson is owed £100,654 interest, A T Evans is owed £100,654 interest, J S Jenkins is owed £100,654 interest and D B McArthur is owed £33,551 interest.

Asset Alliance Limited

During the period, W H Paterson, a director of Asset Alliance Limited ("the company"), paid expenses on the company's behalf amounting to £nil (2011 £3,559). At December 2012, the company owed £nil (2011 £12,417) to W H Paterson as the loan was repaid in the period. £12,417 (2011 £12,417) was the maximum outstanding during the period.

During the period, a loan amounting to £nil (2011 £20,000) was made to the company by Asset Leasing and Commercial Finance Limited, a company owned by W H Paterson. This was repaid in the period leaving a balance of £nil (2011 £20,000) at the period end.

During the period, the company was provided services amounting to £12,981 (2011 £1,966) by The Inside Line Limited, a company in which W H Paterson was a director and shareholder until 1 October 2012. The balance owed to The Inside Line Ltd was £2,397 (2011 £nil) at the period end.

During the period, the company was provided services amounting to £nil (2011 £30,000) by McArthur & Co CA, a business run by D B McArthur, a director of the company. At 31 December 2012, the amount owed to McArthur & Co CA was £nil (2011 £nil).

During the period, the company was provided services amounting to £484 (2011 £nil) from ATE Properties, a business owned by A T Evans, a director of the company. At 31 December 2012, the amount owed to ATE Properties was £nil (2011 £nil).

During the period, the company was charged £13,161 (2011 £nil) for rent from Evall Management Limited, a company in which A T Evans and J S Jenkins are directors. At 31 December 2012, the company was owed £4,800 (2011 £nil) by Evall Management Limited as a result of an advanced payment.

ATE Truck and Trailer Sales Limited

During the period, ATE Truck & Trailer Sales Limited ("the company") were invoiced £nil for rent (2011 £30,000), £nil for management charges (2011 £32,000), £3,228 (2011 £nil) for repair work and £14,449 (2011 £nil) for recharged bank charges by ATE Properties partnership run by A T Evans, a director of the company. These amounts were paid in full in the period.

During the period, the company was invoiced £nil for consultancy fees (2011 £5,000) by Asset Leasing and Commercial Finance Limited, a company owned by W H Paterson, a director of the company. At 31 December 2012, the amount owed to Asset Leasing and Commercial Finance Limited was £nil (2011 £5,909) as the balance owed from 2011 was paid in the period.

During the period, the company was invoiced £175,000 for rent (2011 £116,667) and £3,777 (2011 £nil) for insurance by Evall Management Limited, a company in which A T Evans and J S Jenkins, both directors of the company, are directors and shareholders. These amounts were paid in full in the period.

During the period, dividends of £nil (2011 £33,500) were paid to J S Jenkins.

Notes to the Financial Statements
For the period ended 31 December 2012

21. Transactions in which the directors have an interest (continued)

ATE Truck and Trailer Sales Limited (continued)

During the period the company was invoiced £18,352 for marketing costs (2011 £1,800) by The Inside Line Limited, a company in which W H Paterson was a director until 1 October 2012. The balance owed to The Inside Line Limited at 31 December 2012 is £2,332 (2011 £6,836). This is included within trade creditors.

During the period, the company was invoiced £19,608 for rent (2011 £12,402) by Vanjeks Management Limited, a company in which A T Evans is a director and shareholder. J S Jenkins is also a shareholder. No amounts are outstanding at the period end.

During the period, the company was invoiced £83,750 (2011 £nil) for rent by M54 Management Limited, a company in which A T Evans is a director and shareholder. These amounts were paid in full in the period.

22. Pension costs

The group operates defined contribution schemes. The assets of these schemes are held separately from those of the group in an independently administered fund. The pension cost and charge represents contributions payable by the group to the fund and amounted to £60,000. At 31 December 2012 contributions amounting to £27,153 were payable to the fund and were included in creditors.

23. Related party transactions - group

During the period, CS Capital Partners III L P issued £10,999,328 of deep discounted bonds to Asset Alliance Finance Limited. £538,844 interest was charged in the period. This interest has not been paid but has been rolled up on the balance outstanding. The total balance due to CS Capital Partners III LP at 31 December 2012 is £11,538,172. The principal is due to be redeemed on 31 July 2017 at which time the accrued interest will be paid. CS Capital Partners III L P is the ultimate controlling party of Asset Alliance Group Holdings Limited, which owns 100% of the share capital in Asset Alliance Finance Limited.

24. Related party transactions - company

During the period, ATE Truck & Trailer Sales Limited incurred costs on behalf of Asset Alliance Group Holdings Limited amounting to £8,000. This is included within amounts owed to group undertakings within amounts falling due after more than one year in creditors.

During the period, Asset Alliance Limited incurred costs on behalf of Asset Alliance Group Holdings Limited amounting to £820,995. This is included within amounts owed to group undertakings within amounts falling due after more than one year in creditors.

25. Ultimate controlling party

The ultimate controlling party is CS Capital Partners III L P as it holds the majority shareholding in Asset Alliance Group Holdings Limited.

26. Post balance sheet event

On 21 February 2013 an independent contractor who was utilising an area of premises rented to ATE Truck & Trailer Sales Limited was fatally injured whilst working on site. The accident is currently under investigation by the Police and The Health and Safety Executive and the company is co-operating fully in that process. The outcome of the investigation is unlikely to be known for some time. Whilst ATE Truck & Trailer Sales Limited had no involvement in the incident, it is nevertheless taking all necessary legal advice in order to ensure that its position is fully protected.

