



Scott-Moncrieff
business advisers and accountants

ASSET ALLIANCE GROUP HOLDINGS LIMITED

Company registration number 07726176

Financial Statements

For the year ended 31 December 2013

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ASSET ALLIANCE

ASSET ALLIANCE GROUP HOLDINGS LIMITED

Financial Statements For the year ended 31 December 2013

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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

Strategic Report for the year ended 31 December 2013

The directors present the Strategic Report, the Directors' Report and the financial statements of the group and company for the year ended 31 December 2013.

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 the 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 an investment in its wholly owned subsidiary Asset Alliance Finance Limited and Management Loans Notes for the directors. Interest is accrued 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 year 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.

Turnover for the group increased by 57% to £20,701,677 compared with the previous period which was 17 months long. This growth is due to the group's use of the finance available from CS Capital Partners III L.P. to grow the group's leased asset fleet within Asset Alliance Ltd and allow the group to facilitate more sales of trucks and trailers within ATE Truck & Trailer Sales Limited.

Gross profit margin was 18.1% for 2013 compared with 20.3% in the previous period. This drop in margin was due to a variation in the sales mix in respect of truck and trailer sales. The group expects the gross profit margin to increase and business to grow as the economic recovery gathers momentum and the group benefits from the lease agreements entered into in the latter part of 2013.

The loss before tax has increased in the year due to costs in relation to the planned growth of the group. The group is expected to start generating monthly profits towards the end of 2014 with an overall annual profit expected in 2015.

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.

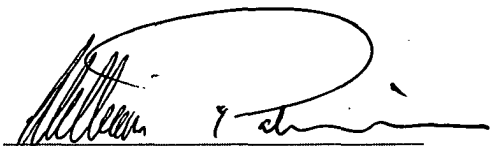
We consider the financial performance of the business to be satisfactory and look forward to the challenges of the year ahead.

Strategic Report for the year ended 31 December 2013

Dividends and transfers to reserves

The group loss for the year, after taxation, amounted to £2,644,391. No dividend is payable (2012: £nil).

Signed on behalf of the board:

A handwritten signature in black ink, appearing to read 'W H Paterson', is written over a horizontal line.

W H Paterson
Director

Dated: 7 May 2014

**Report of the Directors
For the year ended 31 December 2013**

Directors

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

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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; and
- 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.

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 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: 7 May 2014

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 year ended 31 December 2013 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 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 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.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 group's and parent company's affairs as at 31 December 2013 and of the group's loss 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.

Opinion on other matter prescribed by the Companies Act 2006

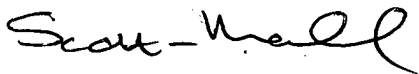
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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: 7 May 2014

Group Profit and Loss Account
For the year ended 31 December 2013

	Notes		Year to 31.12.13 £	17 months to 31.12.12 £
Turnover				
Continued operations	28	20,436,516		13,171,384
Acquired operations	28	265,161		-
	2		20,701,677	13,171,384
Cost of sales			(16,950,619)	(10,491,403)
Gross profit			3,751,058	2,679,981
Administrative expenses			(4,688,921)	(4,164,422)
Other operating income	3		123,490	26,274
Operating loss				
Continued operations	28	(858,534)		(1,458,167)
Acquired operations	28	44,161		-
	5		(814,373)	(1,458,167)
Other interest receivable and similar income			2,853	481
Interest payable and similar charges	7		(1,852,733)	(979,369)
Loss on ordinary activities before taxation			(2,664,253)	(2,437,055)
Taxation on profit on ordinary activities	8		19,862	(13,158)
Loss for the financial year			(2,644,391)	(2,450,213)

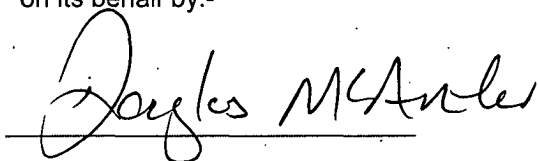
Asset Alliance Group Holdings Limited was incorporated on 2 August 2011.

There were no recognised gains or losses other than those included in the profit and loss account in both periods.

Group Balance Sheet
As at 31 December 2013

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		2,399,572		3,231,757
Tangible assets	10		18,419,447		8,004,189
			<u>20,819,019</u>		<u>11,235,946</u>
Current assets					
Stocks	12	3,427,866		6,097,293	
Debtors (amounts falling due within one year)	13	2,015,919		1,691,299	
Debtors (amounts falling due after more than one year)	27	307,360		-	
Cash at bank and in hand		2,913,648		5,128,655	
		<u>8,664,793</u>		<u>12,917,247</u>	
Creditors: Amounts falling due within one year	14	<u>(5,031,203)</u>		<u>(5,245,602)</u>	
Net current assets			<u>3,633,590</u>		<u>7,671,645</u>
Total assets less current liabilities			<u>24,452,609</u>		<u>18,907,591</u>
Creditors: Amounts falling due after more than one year	15		29,518,595		21,309,324
Provisions for liabilities	16		27,455		47,317
Capital and reserves					
Called up share capital	17	1,163		1,163	
Profit and loss account	18	<u>(5,094,604)</u>		<u>(2,450,213)</u>	
Shareholders' funds	19		<u>(5,093,441)</u>		<u>(2,449,050)</u>
			<u>24,452,609</u>		<u>18,907,591</u>

These financial statements were authorised for issue by the board of directors on 7 May 2014 and signed on its behalf by:-



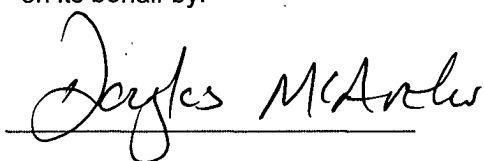
D B McArthur
Director

Company registered number: 07726176

Company Balance Sheet
As at 31 December 2013

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Investments	11		4,829,262		4,829,262
Current assets					
Debtors	13	671		671	
Cash at bank and in hand		218		218	
		<u>889</u>		<u>889</u>	
Creditors: Amounts falling due within one year	14	<u>(2,710)</u>		<u>(2,600)</u>	
Net current liabilities			<u>(1,821)</u>		<u>(1,711)</u>
Total assets less current liabilities			<u>4,827,441</u>		<u>4,827,551</u>
Creditors: Amounts falling due after more than one year	15		5,513,950		5,164,508
Capital and reserves					
Called up share capital	17	1,163		1,163	
Profit and loss account	18	<u>(687,672)</u>		<u>(338,120)</u>	
Shareholders' funds	19		<u>(686,509)</u>		<u>(336,957)</u>
			<u>4,827,441</u>		<u>4,827,551</u>

These financial statements were authorised for issue by the board of directors on 7 May 2014 and signed on its behalf by:-



D B McArthur
Director

Company registered number: 07726176

Group Cash Flow Statement
For the year ended 31 December 2013

	Note	Year to 31.12.13 £	17 months to 31.12.12 £
Net cash inflow/(outflow) from operating activities	1	3,167,354	(4,291,159)
Returns on investments and servicing of finance	2	(1,849,880)	(978,888)
Net cash flow from operating business		1,317,474	(5,270,047)
Taxation			
Corporation tax paid		-	(13,158)
Capital expenditure	3	(4,012,312)	(12,707,847)
Financing	4	990,771	22,347,934
		<u>(1,704,067)</u>	<u>4,356,882</u>
Reconciliation of net cash flow to movement in net funds			
Movement in net funds in the year		(1,704,067)	4,356,882
Net funds at 1 January 2013		4,356,882	-
Net funds at 31 December 2013	5	<u>2,652,815</u>	<u>4,356,882</u>

Notes to the Group Cash Flow Statement
For the year ended 31 December 2013

	Year to 31.12.13 £	17 months to 31.12.12 £
1. Reconciliation of operating profit to net cash outflow from operating activities		
Operating loss	(814,373)	(1,458,167)
Depreciation charges	2,244,025	527,147
Amortisation of goodwill	832,185	929,167
(Profit)/loss on disposal of tangible fixed assets	(8,506)	15,587
Movement in stocks	2,669,427	(6,097,293)
Movement in debtors	(631,980)	(1,691,299)
Movement in creditors	(1,123,424)	3,436,382
Movement in deferred tax	-	47,317
Net cash outflow from operating activities	3,167,354	(4,291,159)
	Year to 31.12.13 £	17 months to 31.12.12 £
2. Returns on investments and servicing of finance		
Interest received	2,853	481
Interest paid	(1,284,881)	(881,664)
Finance element of hire purchase contracts	(567,852)	(97,705)
	(1,849,880)	(978,888)
	Year to 31.12.13 £	17 months to 31.12.12 £
3. Capital expenditure		
Tangible assets acquired on investment	-	(694,396)
Purchase of tangible fixed assets	(4,386,012)	(10,332,635)
Sale of tangible fixed assets	373,700	2,480,108
Additions of intangible fixed assets	-	(4,160,924)
	(4,012,312)	(12,707,847)
	Year to 31.12.13 £	17 months to 31.12.12 £
4. Financing		
Net movement in hire purchase contracts	(1,782,924)	6,473,086
Receipts from issuing shares	-	1,163
Directors' loans and loan notes from related parties	2,773,695	15,873,685
	990,771	22,347,934

Notes to the Group Cash Flow Statement
For the year ended 31 December 2013

5. Analysis of changes in net funds	31 Dec 2012 £	Cash flows £	Other changes £	31 Dec 2013 £
Cash at bank and in hand	5,128,655	(2,215,007)	-	2,913,648
Bank overdraft	(771,773)	510,940	-	(260,833)
	<u>4,356,882</u>	<u>(1,704,067)</u>	<u>-</u>	<u>2,652,815</u>
Debt due within one year	(1,037,447)	(1,419,965)	-	(2,457,412)
Debt due after more than one year	(21,309,324)	(8,209,271)	-	(29,518,595)
	<u>(17,989,889)</u>	<u>(11,333,303)</u>	<u>-</u>	<u>(29,323,192)</u>

**Notes to the Financial Statements
For the year ended 31 December 2013**

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 year ending 31 December 2013.

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	-	15% or 20% straight line basis
Motor vehicles – commercial	-	Over the lease period or 15% reducing balance
Motor vehicles – company cars	-	Over 2,3,4 or 5 years
Rental fleet	-	20% or 25% reducing balance
Computer equipment	-	25% straight line basis

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.

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.

Notes to the Financial Statements
For the year ended 31 December 2013

1. Accounting policies (continued)

Operating Leases

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

Rental income is recognised on a straight line basis over the term of the rental agreement.

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 loss account over the relevant period. The capital element of the future payments is treated as a liability.

Assets that are purchased and subsequently hired out to customers on HP or finance lease are not capitalised on the balance sheet.

The interest element related to these lessor arrangements is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a debtor.

Other operating income

Other operating income is included in the financial statements when received, or spread over the term of the agreement.

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.

Maintenance account

The maintenance account is built up during the year. At the year end the accrual is assessed for reasonableness and adjusted as appropriate.

2. Turnover

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

Included within turnover is £3,713,765 (2012: £1,199,053) received for operating lease rentals and £11,729 (2012: £nil) received for hire purchase interest.

Assets held for sale may be rented out through short term rental agreements. The total income attributable to this in the year is £435,497 (2012: £460,917).

Notes to the Financial Statements
For the year ended 31 December 2013

	Year to 31.12.13 £	17 months to 31.12.12 £
3. Other operating income		
Rent received	18,000	18,742
Other operating income	105,490	7,532
	<u>123,490</u>	<u>26,274</u>
	Year to 31.12.13 £	17 months to 31.12.12 £
4. Staff costs (including directors' emoluments)		
Wages and salaries	2,405,350	2,014,853
Social security costs	265,155	240,092
Other pension costs	45,000	60,000
	<u>2,715,505</u>	<u>2,314,945</u>
The average monthly number of employees during the year was as follows:-	No.	No.
Selling and admin	34	27
Drivers	1	1
Mechanics	27	22
	<u>62</u>	<u>50</u>
	Year to 31.12.13 £	17 months to 31.12.12 £
5. Operating loss		
The operating loss is stated after charging:		
Directors' emoluments	564,000	609,000
Staff costs	2,151,505	1,705,945
Total staff costs	<u>2,715,505</u>	<u>2,314,945</u>
Depreciation of owned assets	278,672	178,342
Depreciation of assets under finance leases and HP	1,965,353	348,805
Gain/(loss) on disposal of fixed assets	(8,506)	15,587
Auditors' remuneration – audit fee	25,450	20,250
Auditors' remuneration – fees for non-audit services	8,245	5,880
Operating lease rentals – land and buildings	706	355,532
Operating lease rentals – others	868,978	195,222

Notes to the Financial Statements
For the year ended 31 December 2013

	Year to 31.12.13 £	17 months to 31.12.12 £
6. Directors' remuneration		
Directors' remuneration: qualifying services		
Emoluments	523,163	583,470
Contributions to money purchase pension scheme	45,000	60,000
Directors' emoluments	<u>568,163</u>	<u>643,470</u>

Included in the directors' emoluments is £4,163 of benefits in kind (2012: £34,470).

The remuneration of the highest paid director, including pension contributions, was £145,171 (2012: £161,610).

	No.	No.
Number of directors to whom retirement benefits are accruing under:		
Money purchase scheme	<u>3</u>	<u>4</u>

	Year to 31.12.13 £	17 months to 31.12.12 £
7. Interest payable		
On bank loans and overdrafts	10,887	6,876
Credit card charges	299	431
On obligations under finance lease and hire purchase	567,852	97,705
Interest payable to CS Capital Partners III LP	926,853	538,844
Interest due on loan notes	346,842	335,513
	<u>1,852,733</u>	<u>979,369</u>

	Year to 31.12.13 £	17 months to 31.12.12 £
8. Taxation		
The tax charge on the loss on ordinary activities for the year was as follows:-		
UK corporation tax	-	13,158
Deferred tax	(19,862)	-
	<u>(19,862)</u>	<u>13,158</u>

Notes to the Financial Statements
For the year ended 31 December 2013

9. Intangible fixed assets Group	Goodwill £
Cost:	
At 1 January 2013	4,160,924
Additions	-
	<hr/>
At 31 December 2013	4,160,924
	<hr/>
Amortisation:	
At 1 January 2013	929,167
Amortised in the year	832,185
	<hr/>
At 31 December 2013	1,761,352
	<hr/>
Net Book Value:	
At 31 December 2013	2,399,572
	<hr/>
At 31 December 2012	3,231,757
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Notes to the Financial Statements
For the year ended 31 December 2013

10. Tangible fixed assets

Group	Leasehold property £	Plant and machinery £	Equipment, fixtures and fittings £	Commercial & motor vehicles £	Rental fleet £	Computer Equipment £	Total £
Cost:							
At 1 January 2013	263,794	178,512	95,401	7,967,410	498,785	-	9,003,902
Additions	117,927	129,586	15,514	12,714,338	-	47,112	13,024,477
Disposals	-	(1,000)	-	(449,611)	-	-	(450,611)
At 31 December 2013	381,721	307,098	110,915	20,232,137	498,785	47,112	21,577,768
Depreciation:							
At 1 January 2013	118,668	145,625	68,841	444,622	221,957	-	999,713
Charge for the year	65,821	21,807	10,176	2,069,949	69,207	7,065	2,244,025
Eliminated on disposals	-	(150)	-	(85,267)	-	-	(85,417)
At 31 December 2013	184,489	167,282	79,017	2,429,304	291,164	7,065	3,158,321
Net Book Value:							
At 31 December 2013	197,232	139,816	31,898	17,802,833	207,621	40,047	18,419,447
At 31 December 2012	145,126	32,887	26,560	7,522,788	276,828	-	8,004,189

Included within fixed assets are assets held under finance lease or hire purchase contracts with a net book value of £14,061,521 (2012: £6,746,979).

The depreciation charge for the year includes £1,965,353 (2012: £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 and contract hire. The cost of these assets is £19,824,821 (2012: £7,713,648) and the accumulated depreciation is £1,997,266 (2012: £343,126).

Notes to the Financial Statements
For the year ended 31 December 2013

	Year to 31.12.13 £	17 months to 31.12.12 £
11. Investments		
Company		
Cost:		
Investment in subsidiary	4,829,262	4,829,262

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, rental and refurbishment of trailers and commercial vehicles.

	2013 £	2012 £
Class of shares; Ordinary		
Holding: 100%		
Aggregate capital and reserves	2,532,214	3,458,819
(Loss) for the year	(926,605)	(541,448)

12. Stocks	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Raw materials	1,004	-	-	-
Consumable stock	33,723	-	16,059	-
Finished goods and goods for resale	3,393,139	-	6,081,234	-
	<u>3,427,866</u>	<u>-</u>	<u>6,097,293</u>	<u>-</u>
13. Debtors: amounts falling due within one year	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Trade debtors	760,569	-	474,560	-
Other debtors	1,068,576	-	1,143,325	-
Amounts owned by group undertakings	-	671	-	671
Prepaid expenses and accrued income	83,936	-	73,414	-
Net receivable under hire purchase agreements	410,198	-	-	-
	<u>2,323,279</u>	<u>671</u>	<u>1,691,299</u>	<u>671</u>

£307,360 (2012: £nil) of the net receivable under hire purchase agreements is due in more than one year.

Notes to the Financial Statements
For the year ended 31 December 2013

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
14. Creditors: amounts falling due within one year				
Bank overdraft	260,833	-	771,773	-
Trade creditors	1,177,029	-	2,550,062	-
Other creditors	676,167	-	422,847	-
Other taxes and social security	168,349	-	78,752	-
Accruals and deferred income	291,413	2,710	384,721	2,600
Net obligations under finance leases and hire purchase contracts	2,457,412	-	1,037,447	-
	<u>5,031,203</u>	<u>2,710</u>	<u>5,245,602</u>	<u>2,600</u>
Secured creditors	<u>2,718,245</u>	<u>-</u>	<u>1,809,220</u>	<u>-</u>
15. Creditors: amounts falling due after more than one year				
Net obligations under finance leases and hire purchase contracts	10,871,215	-	5,435,639	-
Amounts owed to group undertakings	-	831,595	-	828,995
Directors' loans (including accrued interest)	4,682,355	4,682,355	4,335,513	4,335,513
Amounts owed to related parties	13,965,025	-	11,538,172	-
	<u>29,518,595</u>	<u>5,513,950</u>	<u>21,309,324</u>	<u>5,164,508</u>
Analysed as:				
Repayable in between one and two years	3,777,546	831,595	1,108,491	828,995
Repayable in between two and five years	25,222,691	4,682,355	19,632,513	4,335,513
Repayable in greater than five years	518,358	-	568,320	-
	<u>29,518,595</u>	<u>5,513,950</u>	<u>21,309,324</u>	<u>5,164,508</u>
Secured creditors	<u>10,871,215</u>	<u>-</u>	<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 & Trailer Sales Limited and Assets Alliance Ltd.

Within ATE Truck & Trailer Sales 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.

Asset Alliance Group Holdings Limited, Asset Alliance Finance Limited, ATE Truck & Trailer Sales Limited and Asset Alliance Ltd have provided guarantees to various funders in respect of assets purchased by Asset Alliance Ltd under finance leases and hire purchase agreements.

Security is held by various funders in respect of the assets purchased under finance leases and hire purchase by Asset Alliance Ltd and ATE Truck & Trailer Sales Limited.

Notes to the Financial Statements
For the year ended 31 December 2013

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
16. Provisions for liabilities				
Accelerated capital allowances	27,455	-	47,317	-
Provision at start of year	47,317	-	47,317	-
Deferred tax charge in profit and loss account	(19,862)	-	-	-
Provision at end of the year	27,455	-	47,317	-
17. Called up share capital			Group and Company 2013 £	Group and Company 2012 £
Allotted, called up and fully paid Equity shares				
1 Deferred share at £1 each			1	1
64,655 A shares at 1p each			647	647
25,000 B shares at 1p each			250	250
10,345 C shares at 1p each			103	103
16,164 D shares at 1p each			162	162
			<u>1,163</u>	<u>1,163</u>

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).

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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 was converted to a deferred share in 2012. Nil ordinary shares were issued during the year (2012: 116,164).

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
18. Reserves				
At 1 January 2013	(2,450,213)	(338,120)	-	-
Loss for the year	(2,644,391)	(349,552)	(2,450,213)	(338,120)
At 31 December 2013	<u>(5,094,604)</u>	<u>(687,672)</u>	<u>(2,450,213)</u>	<u>(338,120)</u>

	2013 £	2012 £
19. Reconciliation of movements in shareholders' funds		
Group		
Loss for the financial year	(2,644,391)	(2,450,213)
New shares issued during the year	-	1,163
Opening shareholders' funds	<u>(2,449,050)</u>	<u>-</u>
Closing shareholders' funds	<u>(5,093,441)</u>	<u>(2,449,050)</u>
Company		
Loss for the financial year	(349,552)	(338,120)
New shares issued during the year	-	1,163
Opening shareholders' funds	<u>(336,957)</u>	<u>-</u>
Closing shareholders' funds	<u>(686,509)</u>	<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 2013 were as set out below:-

	2013 Land and buildings £	2013 Other £	2012 Land and buildings £	2012 Other £
Operating leases which expire:				
Within one year	100,365	26,972	130,891	356
Within two to five years	31,000	60,484	-	169,296
Over five years	265,000	-	175,000	-
	<u>396,365</u>	<u>87,456</u>	<u>305,891</u>	<u>169,652</u>

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For the year ended 31 December 2013

21. Transactions in which the directors have an interest

Asset Alliance Group Holdings Limited

During the prior period, the directors sold their shares in ATE Truck & Trailer Sales Limited and Asset Alliance Ltd to the company and received £4,000,000 of Management Loan Notes as part of the consideration. 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. During the year, the company was charged interest of £104,052 (2012: £100,654) by W H Paterson, £104,052 (2012: £100,654) by A T Evans, £104,052 (2012: £100,654) by J S Jenkins and £34,686 (2012: £33,551) by D B McArthur.

At the year end, £682,355 (2012: £335,513) of interest was due to the directors. W H Paterson is owed £204,706 (2012: £100,654) interest, A T Evans is owed £204,706 (2012: £100,654) interest, J S Jenkins is owed £204,706 (2012: £100,654) of interest and D B McArthur is owed £68,237 (2012: £33,551) interest.

Asset Alliance Limited

During the year, W Paterson, a director of Asset Alliance Ltd ("the company"), paid expenses on the company's behalf amounting to £13,046 (2012: £10,710) and recharged them to the company. At 31 December 2013, the company owed £12 (2012: £215) to W Paterson which is included in trade creditors. £6,012 (2012: £12,417) was the maximum outstanding during the year.

During the year, the company was provided services amounting to £1,872 (2012: £484) from ATE Properties, a business run by A T Evans, a director of the company. At 31 December 2013, the amount owed to ATE Properties was £nil (2012: £nil).

During the year, the company was charged £9,405 (2012: £13,161) for rent from Evall Management Limited, a company in which A T Evans and J S Jenkins are directors. At 31 December 2013, the company owed £nil (2012: £4,800) to Evall Management Limited.

During the year, the company was charged £12,273 (2012: £nil) for rent from M54 Space Centre Limited, a company in which A T Evans is a director. At 31 December 2013, the company owed £nil (2012: £nil) to M54 Space Centre Limited.

ATE Truck & Trailer Sales Limited

During the year, ATE Truck & Trailer Sales Limited ("the company") were invoiced £2,853 (2012: £3,228) for repair work and £nil (2012: £14,449) 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 year. The company invoiced ATE Properties partnership £538 for recharged material costs. The balance owed from ATE Properties partnership at 31 December 2013 is £645 (2012: £nil). This is included in trade debtors.

During the year, the company was invoiced £43,750 (2012: £175,000) for rent and £nil (2012: £3,777) 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. This amount was paid in full in the year.

During the year, the company was invoiced £nil for rent (2012: £19,608) by Vanjeks Management Limited, a company in which A T Evans and J S Jenkins are directors and shareholders of. No amounts are outstanding at the year end.

During the year, the company was invoiced £16,250 (2012: £83,750) for rent and £768 (2012: £nil) for electricity by M54 Management Limited, a company in which A T Evans, is a director and shareholder. No amounts were outstanding at the year end (2012: nil).

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

ATE Truck & Trailer Sales Limited (continued)

During the year, the company was invoiced £254,293 (2012: £nil) for rent and storage of trucks, £1,016 (2012: £nil) for electricity, £3,777 (2012: £nil) for insurance and £4,011 (2012: £nil) for recharged labour costs by M54 Space Centre Limited, a company in which A T Evans, is a director and shareholder. These amounts were paid in full in the year. The company invoiced M54 Space Centre Limited £2,400 for recharged material costs. The balance owed from M54 Space Centre Limited at 31 December 2013 is £261 (2012: £nil). This is included in trade debtors.

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 £45,000 (2012: £60,000). At 31 December 2013 contributions amounting to £24,306 (2012: £27,153) were payable to the fund and were included in creditors.

23. Related party transactions - group

During the period, Asset Alliance Finance Limited issued £1,500,000 (2012: £10,999,328) of deep discounted bonds to CS Capital Partners III L.P.. £926,853 (2012: £538,844) of interest was charged in the year. This interest has not been paid but has been rolled up in the balance outstanding. The total balance due to CS Capital Partners III L.P. at 31 December 2013 is £13,965,025 (2012: £11,538,172). The nominal value of the deep discounted bonds is due to be redeemed on 31 July 2017. However, the date is flexible and can be moved to a later date if required and agreed by both parties. 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 year, ATE Truck & Trailer Sales Limited incurred costs on behalf of Asset Alliance Group Holdings Limited amounting to £nil (2012: £8,000). The £8,000 due in respect of the prior period is included within amounts owed to group undertakings within amounts falling due after more than one year in creditors (2012: £8,000).

During the year, Asset Alliance Ltd paid expenditure on behalf of Asset Alliance Group Holdings Limited amounting to £2,600 (2012: £820,995). £823,595 (2012: £820,995) 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. Contingent liabilities

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 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 physical involvement in the incident, it is nevertheless taking all necessary legal advice in order to ensure that its position is fully protected.

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27. Debtors (amounts falling due after more than one year)

Included in amounts falling due after more than one year in debtors is a balance of £307,360 (2012: £nil) in relation to the hire purchase debtors.

28. Continuing and acquired operations

	Continuing operations £	Acquired operations £	2013 Total £
Turnover	20,436,516	265,161	20,701,677
Cost of sales	(16,782,908)	(167,711)	(16,950,619)
Gross profit	3,653,608	97,450	3,751,058
Administrative expenses	(4,635,632)	(53,289)	(4,688,921)
Other operating income	123,490	-	123,490
Operating (loss) / profit	(858,534)	44,161	(814,373)

	Continuing operations £	Acquired operations £	2012 Total £
Turnover	13,171,384	-	13,171,384
Cost of sales	(10,491,403)	-	(10,491,403)
Gross profit	2,679,981	-	2,679,981
Administrative expenses	(4,164,422)	-	(4,164,422)
Other operating income	26,274	-	26,274
Operating loss	(1,458,167)	-	(1,458,167)

On 6 September 2013, Asset Alliance Ltd acquired the assets and liabilities of SB Trailers Limited. The trade of this acquisition is run through a separate division called Total Reefer.

The fair value of the consideration for the acquisition was £1,053,650. The maximum deferred consideration is £100,000 (minimum: £nil). This is dependent on the performance and profit of the Total Reefer division. This amount is payable one year after the date of acquisition and is included in other creditors.

	2013 £	2012 £
29. Commitment to buy stock		
Group		
Contracted for but not provided in the financial statements	421,000	-