



Scott-Moncrieff
business advisers and accountants

ASSET ALLIANCE GROUP HOLDINGS LIMITED

Company registration number: 07726176

Financial Statements

For the year ended 31 December 2014

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ASSET ALLIANCE

ASSET ALLIANCE GROUP HOLDINGS LIMITED

Financial Statements

For the year ended 31 December 2014

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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 2014

The directors present the Strategic Report, the Directors' Report and the financial statements of the group and company for the year ended 31 December 2014.

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 LP, a fund managed by Cabot Square Capital L.L.P. Using the substantial capital investment available from CS Capital Partners III LP, 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 18.2% to £24,461,838 compared with the previous year. This growth is due to the group's use of the finance available through CS Capital Partners III LP and the various senior debt relationships to grow the group's leased asset fleet within Asset Alliance Ltd.

Gross profit margin was 20.4% for 2014 compared with 18.1% in the previous period. This increase in margin was due to a concentrated effort to improve efficiencies across the group, and is in line with predictions that this would happen as stated in the 2013 Strategic Report.

The loss before tax increased slightly in the year, due to additional interest charges incurred within Asset Alliance Ltd, as it continued to grow its fleet of vehicles for lease and contract hire. However with a gross profit of £4.99m in 2014 compared to £3.75m in 2013, the benefit of increased turnover and margins can clearly be seen. Overhead costs increased as expected with the continued expansion of the group, but the operating loss decreased considerably from £814,373 in 2013 to £44,473 in 2014. Both trading companies are making good EBITDA profits on a monthly basis, and are expected to show net trading profits for 2015.

The directors are satisfied with the performance of the group as it continues to develop, and remain committed to increasing the market share of both trading companies.

Risks and uncertainties

The upturn in the economy is encouraging. This however brings its own challenges as we compete with other businesses in our sector, and how best to manage this is something that we consider regularly. We consider that these risks are mitigated by our determination to drive the business forward, continually exploring new markets and sales avenues and keeping 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 LP, 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 group to be satisfactory and look forward to continuing to develop the businesses in the year ahead.

Strategic Report for the year ended 31 December 2014

Dividends and transfers to reserves

The group loss for the year, after taxation, amounted to £2,771,756 (2013: £2,644,391). No dividend is payable (2013: £nil).

Signed on behalf of the board:

A handwritten signature in dark ink, appearing to be 'W H Paterson', written over a horizontal line.

W H Paterson
Director

Dated: 3 June 2015

Report of the Directors for the year ended 31 December 2014

The information regarding the principal activity, review of business, future developments, key performance indicators, risks and uncertainties and dividends and transfers to reserves is shown in the Strategic Report and not the Report of the Directors.

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.

Report of the Directors for the year ended 31 December 2014

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:

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

**W H Paterson
Director**

Dated: 3 June 2015

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 2014 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 the directors and the 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/auditscopeukprivate.

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 2014 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

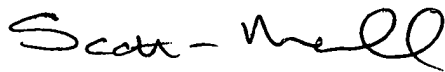
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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: 3 June 2015

Group Profit and Loss Account
For the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover			
Continued operations	28	24,461,838	20,436,516
Acquired operations	28	-	265,161
	2	<u>24,461,838</u>	<u>20,701,677</u>
Cost of sales		<u>(19,476,578)</u>	<u>(16,950,619)</u>
Gross profit		<u>4,985,260</u>	<u>3,751,058</u>
Administrative expenses		<u>(5,078,053)</u>	<u>(4,688,921)</u>
Other operating income	3	<u>48,320</u>	<u>123,490</u>
Operating loss			
Continued operations	28	(44,473)	(858,534)
Acquired operations	28	-	44,161
	5	<u>(44,473)</u>	<u>(814,373)</u>
Other interest receivable and similar income		20	2,853
Interest payable and similar charges	7	<u>(2,754,758)</u>	<u>(1,852,733)</u>
Loss on ordinary activities before taxation		<u>(2,799,211)</u>	<u>(2,664,253)</u>
Taxation on loss on ordinary activities	8	<u>27,455</u>	<u>19,862</u>
Loss for the financial year		<u><u>(2,771,756)</u></u>	<u><u>(2,644,391)</u></u>

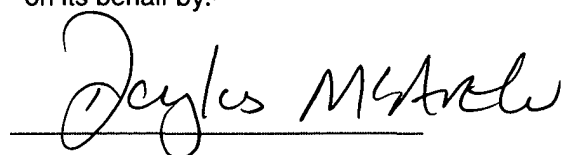
There were no recognised gains or losses other than those included in the profit and loss account in both periods.

The notes form part of these financial statements

Group Balance Sheet
As at 31 December 2014

	Notes	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	9		1,567,387		2,399,572
Tangible assets	10		30,203,703		18,419,447
			<u>31,771,090</u>		<u>20,819,019</u>
Current assets					
Stocks	12	4,200,405		3,427,866	
Debtors (amounts falling due within one year)	13	2,370,647		2,015,919	
Debtors (amounts falling due after more than one year)	27	745,642		307,360	
Cash at bank and in hand		4,104,531		2,913,648	
			<u>11,421,225</u>	<u>8,664,793</u>	
Creditors: Amounts falling due within one year	14	(9,869,311)		(5,031,203)	
Net current assets			<u>1,551,914</u>		<u>3,633,590</u>
Total assets less current liabilities			<u>33,323,004</u>		<u>24,452,609</u>
Creditors: Amounts falling due after more than one year	15		41,188,201		29,518,595
Provisions for liabilities	16		-		27,455
Capital and reserves					
Called up share capital	17	1,163		1,163	
Profit and loss account	18	(7,866,360)		(5,094,604)	
Shareholders' funds	19		<u>(7,865,197)</u>		<u>(5,093,441)</u>
			<u>33,323,004</u>		<u>24,452,609</u>

These financial statements were authorised for issue by the board of directors on 3 June 2015 and signed on its behalf by:-



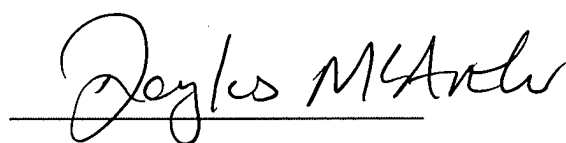
D B McArthur
Director

Company registered number: 07726176

Company Balance Sheet
As at 31 December 2014

	Notes	2014		2013	
		£	£	£	£
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>(2,920)</u>		<u>(2,710)</u>	
Net current liabilities			<u>(2,031)</u>		<u>(1,821)</u>
Total assets less current liabilities			<u>4,827,231</u>		<u>4,827,441</u>
Creditors: Amounts falling due after more than one year	15		5,891,248		5,513,950
Capital and reserves					
Called up share capital	17	1,163		1,163	
Profit and loss account	18	<u>(1,065,180)</u>		<u>(687,672)</u>	
Shareholders' funds	19		<u>(1,064,017)</u>		<u>(686,509)</u>
			<u>4,827,231</u>		<u>4,827,441</u>

These financial statements were authorised for issue by the board of directors on 3 June 2015 and signed on its behalf by:-



D B McArthur
Director

Company registered number: 07726176

Group Cash Flow Statement
For the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	1	3,882,864	3,167,354
Returns on investments and servicing of finance	2	(2,754,738)	(1,849,880)
Net cash flow from operating business		1,128,126	1,317,474
Taxation			
Corporation tax paid		-	-
Capital expenditure	3	(278,197)	(4,012,312)
Financing	4	(337,842)	990,771
		<u>512,087</u>	<u>(1,704,067)</u>
Reconciliation of net cash flow to movement in net funds			
Movement in net funds in the year		512,087	(1,704,067)
Net funds at 1 January 2014		<u>2,652,815</u>	<u>4,356,882</u>
Net funds at 31 December 2014	5	<u>3,164,902</u>	<u>2,652,815</u>

Notes to the Group Cash Flow Statement
For the year ended 31 December 2014

	2014	2013
	£	£
1. Reconciliation of operating loss to net cash outflow from operating activities		
Operating loss	(44,473)	(814,373)
Depreciation charges	4,503,853	2,244,025
Amortisation of goodwill	832,185	832,185
Gain on disposal of tangible fixed assets	(25,471)	(8,506)
Movement in stocks	(772,539)	2,669,427
Movement in debtors	(793,010)	(631,980)
Movement in creditors	182,319	(1,123,424)
Net cash inflow from operating activities	3,882,864	3,167,354
	2014	2013
	£	£
2. Returns on investments and servicing of finance		
Interest received	20	2,853
Interest paid	(1,639,077)	(1,284,881)
Finance element of hire purchase contracts	(1,115,681)	(567,852)
	(2,754,738)	(1,849,880)
	2014	2013
	£	£
3. Capital expenditure		
Purchase of tangible fixed assets	(727,052)	(4,386,012)
Sale of tangible fixed assets	448,855	373,700
	(278,197)	(4,012,312)
	2014	2013
	£	£
4. Financing		
Net movement in hire purchase contracts	(2,368,609)	(1,782,924)
Directors' loans and loan notes from related parties	2,030,767	2,773,695
	(337,842)	990,771

Notes to the Group Cash Flow Statement
For the year ended 31 December 2014

5. Analysis of changes in net funds	2013 £	Cash flows £	Other changes £	2014 £
Cash at bank and in hand	2,913,648	1,190,883	-	4,104,531
Bank loans and overdraft	(260,833)	(678,796)	-	(939,629)
	<u>2,652,815</u>	<u>512,087</u>	-	<u>3,164,902</u>
Debt due within one year	(2,457,412)	(3,976,993)	-	(6,434,405)
Debt due after more than one year	(29,518,595)	(11,669,606)	-	(41,188,201)
	<u>(29,323,192)</u>	<u>(15,134,512)</u>	-	<u>(44,457,704)</u>

Notes to the Financial Statements
For the year ended 31 December 2014

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. This has been confirmed in a letter of support from Cabot Square Capital which confirms support for the group for at least 12 months from the signing date of the group's financial statements.

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 2014.

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
Commercial vehicles	-	Over the lease period or 15% reducing balance
Motor vehicles	-	Over the lease period or 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 2014

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 relating to these lessor arrangements is credited 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

During the year an accrual is raised for every contract for the same value as the maintenance income and any repair costs are then offset against the specific accrual for that contract. On a regular basis, 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 £7,446,116 (2013: £3,713,765) received for operating lease and contract hire rentals, £37,206 (2013: £nil) received for finance lease rentals and £47,700 (2013: £11,729) 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 £590,053 (2013: £435,499).

Notes to the Financial Statements
For the year ended 31 December 2014

	2014	2013
	£	£
3. Other operating income		
Rent received	20,000	18,000
Other operating income	28,320	105,490
	<u>48,320</u>	<u>123,490</u>
	2014	2013
	£	£
4. Staff costs (including directors' emoluments)		
Wages and salaries	2,873,370	2,405,350
Social security costs	311,895	265,155
Other pension costs	47,259	45,000
	<u>3,232,524</u>	<u>2,715,505</u>
The average monthly number of employees during the year was as follows:-	No.	No.
Selling and admin	41	34
Drivers	1	1
Mechanics	32	27
	<u>74</u>	<u>62</u>
	2014	2013
	£	£
5. Operating loss		
The operating loss is stated after charging:		
Directors' emoluments	502,000	564,000
Staff costs	2,730,524	2,151,505
Total staff costs	<u>3,232,524</u>	<u>2,715,505</u>
Depreciation of owned assets	631,613	278,672
Depreciation of assets under finance leases and HP	3,872,240	1,965,353
Gain on disposal of fixed assets	(25,471)	(8,506)
Auditors' remuneration – audit fee	26,300	25,450
Auditors' remuneration – fees for non-audit services	4,925	8,245
Operating lease rentals – land and buildings	458,926	470,887
Operating lease rentals – others	188,121	398,797

Notes to the Financial Statements
For the year ended 31 December 2014

	2014	2013
	£	£
6. Directors' remuneration		
Directors' remuneration: qualifying services		
Emoluments	466,149	523,163
Contributions to money purchase pension scheme	45,000	45,000
	<u>511,149</u>	<u>568,163</u>
Directors' emoluments	<u>511,149</u>	<u>568,163</u>

Included in the directors' emoluments is £9,149 of benefits in kind (2013: £4,163).

The remuneration of the highest paid director, including pension contributions, was £131,419 (2013: £145,171).

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

	2014	2013
	£	£
7. Interest payable		
On bank loans and overdrafts	108,011	10,887
Credit card charges	299	299
On obligations under finance lease and hire purchase	1,115,681	567,852
Interest payable to CS Capital Partners III LP	1,156,179	926,853
Interest due on loan notes	374,588	346,842
	<u>2,754,758</u>	<u>1,852,733</u>

	2014	2013
	£	£
8. Taxation		
The tax charge on the loss on ordinary activities for the year was as follows:-		
UK corporation tax	-	-
Deferred tax	27,455	(19,862)
	<u>27,455</u>	<u>(19,862)</u>

Due to the loss incurred in the year and the use of group relief, there was no corporation tax charge (2013: £nil).

Notes to the Financial Statements
For the year ended 31 December 2014

9. Intangible fixed assets	Goodwill
Group	£
Cost:	
At 1 January 2014	4,160,924
Additions	-
At 31 December 2014	<u>4,160,924</u>
Amortisation:	
At 1 January 2014	1,761,352
Amortised in the year	832,185
At 31 December 2014	<u>2,593,537</u>
Net Book Value:	
At 31 December 2014	<u>1,567,387</u>
At 31 December 2013	<u>2,399,572</u>

ASSET ALLIANCE GROUP HOLDINGS LIMITED

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**Notes to the Financial Statements
For the year ended 31 December 2014**

10. Tangible fixed assets

Group	Leasehold property £	Plant and machinery £	Equipment, fixtures and fittings £	Commercial vehicles	Motor vehicles £	Rental fleet £	Computer equipment £	Total £
Cost:								
At 1 January 2014	381,721	307,098	110,915	19,824,820	407,317	498,785	47,112	21,577,768
Additions	76,583	65,615	40,924	16,366,374	150,748	-	11,249	16,711,493
Disposals	-	(3,000)	-	(436,316)	(14,000)	(188,535)	-	(641,851)
At 31 December 2014	458,304	369,713	151,839	35,754,878	544,065	310,250	58,361	37,647,410
Depreciation:								
At 1 January 2014	184,489	167,282	79,017	2,281,967	147,337	291,164	7,065	3,158,321
Charge for the year	63,701	44,421	13,092	4,211,007	96,851	64,529	10,252	4,503,853
Eliminated on disposals	-	(2,999)	-	(86,530)	(13,999)	(114,939)	-	(218,467)
At 31 December 2014	248,190	208,704	92,109	6,406,444	230,189	240,754	17,317	7,443,707
Net Book Value:								
At 31 December 2014	210,114	161,009	59,730	29,348,434	313,876	69,496	41,044	30,203,703
At 31 December 2013	197,232	139,816	31,898	17,542,853	259,980	207,621	40,047	18,419,447

Included within fixed assets are assets held under finance lease or hire purchase contracts with a net book value of £28,283,845 (2013: £14,061,521).

The depreciation charge for the year includes £3,872,240 (2013: £1,965,353) 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 £35,754,878 (2013: £19,824,821) and the accumulated depreciation is £6,406,444 (2013: £2,281,967).

Notes to the Financial Statements
For the year ended 31 December 2014

11. Investments	2014	2013
	£	£
Company		
Cost:		
Investment in subsidiary	<u>4,829,262</u>	<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, rental and refurbishment of trailers and commercial vehicles.

	2014	2013
	£	£
Class of shares; Ordinary		
Holding: 100%		
Aggregate capital and reserves	1,373,533	2,532,214
(Loss) for the year	<u>(1,158,681)</u>	<u>(926,605)</u>

12. Stocks	Group	Company	Group	Company
	2014	2014	2013	2013
	£	£	£	£
Spare parts	5,637	-	1,004	-
Consumable stock	50,152	-	33,723	-
Finished goods and goods for resale	4,144,616	-	3,393,139	-
	<u>4,200,405</u>	<u>-</u>	<u>3,427,866</u>	<u>-</u>
13. Debtors: amounts falling due within one year	Group	Company	Group	Company
	2014	2014	2013	2013
	£	£	£	£
Trade debtors	1,168,179	-	760,569	-
Other debtors	686,275	-	1,068,576	-
Amounts owned by group undertakings	-	671	-	671
Prepaid expenses and accrued income	131,387	-	83,936	-
Net receivable under hire purchase agreements	183,058	-	102,838	-
Net receivable under finance leases	201,748	-	-	-
	<u>2,370,647</u>	<u>671</u>	<u>2,015,919</u>	<u>671</u>

Notes to the Financial Statements
For the year ended 31 December 2014

14. Creditors: amounts falling due within one year	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Bank loans and overdraft	939,629	-	260,833	-
Trade creditors	1,143,345	-	1,177,029	-
Other creditors	934,417	-	676,167	-
Other taxes and social security	150,208	-	168,349	-
Accruals and deferred income	267,307	2,920	291,413	2,710
Net obligations under finance leases and hire purchase contracts	6,434,405	-	2,457,412	-
	<u>9,869,311</u>	<u>2,920</u>	<u>5,031,203</u>	<u>2,710</u>
Secured creditors	<u>7,374,034</u>	<u>-</u>	<u>2,718,245</u>	<u>-</u>
15. Creditors: amounts falling due after more than one year	Group 2014	Company 2014	Group 2013	Company 2013
Net obligations under finance leases and hire purchase contracts	20,510,054	-	10,871,215	-
Amounts owed to group undertakings	-	834,305	-	831,595
Directors' loans (including accrued interest)	5,056,943	5,056,943	4,682,355	4,682,355
Amounts owed to related parties	15,621,204	-	13,965,025	-
	<u>41,188,201</u>	<u>5,891,248</u>	<u>29,518,595</u>	<u>5,513,950</u>
Analysed as:				
Repayable in between one and two years	5,697,148	834,305	3,777,546	831,595
Repayable in between two and five years	14,803,470	-	25,222,691	4,682,355
Repayable in greater than five years	20,687,583	5,056,943	518,358	-
	<u>41,188,201</u>	<u>5,891,248</u>	<u>29,518,595</u>	<u>5,513,950</u>
Secured creditors	<u>20,510,054</u>	<u>-</u>	<u>10,871,215</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 2014

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
16. Provisions for liabilities				
Accelerated capital allowances	42,026	-	27,455	-
Provision at start of year	27,455	-	47,317	-
Release of the deferred tax provision to the profit and loss account	(27,455)	-	(19,862)	-
Provision at end of the year	-	-	27,455	-
17. Called up share capital			Group and Company 2014 £	Group and Company 2013 £
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).

Notes to the Financial Statements
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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.

18. Reserves	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
At 1 January 2014	(5,094,604)	(687,672)	(2,450,213)	(338,120)
Loss for the year	(2,771,756)	(377,508)	(2,644,391)	(349,552)
At 31 December 2014	<u>(7,866,360)</u>	<u>(1,065,180)</u>	<u>(5,094,604)</u>	<u>(687,672)</u>

19. Reconciliation of movements in shareholders' funds	2014 £	2013 £
Group		
Loss for the financial year	(2,771,756)	(2,644,391)
Opening shareholders' funds	(5,093,441)	(2,449,050)
Closing shareholders' funds	<u>(7,865,197)</u>	<u>(5,093,441)</u>
Company		
Loss for the financial year	(377,508)	(349,552)
Opening shareholders' funds	(686,509)	(336,957)
Closing shareholders' funds	<u>(1,064,017)</u>	<u>(686,509)</u>

20. Leasing commitments

Operating leases

Group

The group's annual commitments for rental payments under non-cancellable operating leases at 31 December 2014 were as set out below:-

	2014 Land and buildings £	2014 Other £	2013 Land and buildings £	2013 Other £
Operating leases which expire:				
Within one year	99,340	27,712	100,365	26,972
Within two to five years	76,000	3,543	31,000	60,484
Over five years	283,000	-	265,000	-
	<u>458,340</u>	<u>31,255</u>	<u>396,365</u>	<u>87,456</u>

**Notes to the Financial Statements
For the year ended 31 December 2014**

21. Transactions in which the directors have an interest

Asset Alliance Group Holdings Limited

During the period ended 31 December 2012, 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 £112,377 (2013: £104,052) by W H Paterson, £112,377 (2013: £104,052) by A T Evans, £112,377 (2013: £104,052) by J S Jenkins and £37,457 (2013: £34,686) by D B McArthur.

At the year end, £1,056,943 (2013: £682,355) of interest was due to the directors. W H Paterson is owed £317,083 (2013: £204,706) interest, A T Evans is owed £317,083 (2013: £204,706) interest, J S Jenkins is owed £317,083 (2013: £204,706) of interest and D B McArthur is owed £105,694 (2013: £68,237) interest.

Asset Alliance Ltd

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

During the year, the company was charged £nil (2013: £9,405) for rent from Evall Management Limited, a company in which A T Evans and J S Jenkins are directors.

During the year, the company was charged £32,534 (2013: £12,273) for rent and electricity from M54 Space Centre Limited, a company in which A T Evans is a director. During the year, the company charged £8,752 (2013: £nil) to M54 Space Centre Limited for services provided. No balances were outstanding at the year-end (2013: £nil).

ATE Truck & Trailer Sales Limited

During the year, ATE Truck & Trailer Sales Limited ("the company") were invoiced £745 (2013: £2,853) for repair work by ATE Properties partnership run by A T Evans, a director of the company. This amount was paid in full in the year. The company invoiced ATE Properties partnership £616 (2013: £538) for recharged material costs. This amount was received in full in the year.

During the year, the company was invoiced £nil (2013: £43,750) for rent by Evall Management Limited, a company in which A T Evans and J S Jenkins, both directors of the company, are directors and shareholders.

During the year, the company was invoiced £nil (2013: £16,250) for rent, £nil (2013: £768) for electricity and £800 (2013: £nil) for consumable stock by M54 Management Limited, a company in which A T Evans, is a director and shareholder. The amount due to M54 Management Limited at 31 December 2014 is £960 (2013: £nil). This is included in trade creditors.

During the year, the company was invoiced £326,508 (2013: £254,293) for rent and storage of trucks, £7,812 (2013: £1,016) for electricity, £3,777 (2013: £3,777) for insurance, £nil (2013: £4,011) for recharged labour costs, £2,621 (2013: £nil) for repairs, £10,745 (2013: nil) for security, £880 (2013: £nil) for legal expenses and £1,957 (2013: £nil) for fixed assets by M54 Space Centre Limited, a company in which A T Evans, is a director and shareholder. The balance due to M54 Space Centre Limited at 31 December 2014 is £171 (2013: £nil). This is included in trade creditors. The company invoiced M54 Space Centre Limited £3,202 (2013: £2,400) for recharged material costs. The balance owed from M54 Space Centre Limited at 31 December 2014 is £3,842 (2013: £261). This is included in trade debtors.

Notes to the Financial Statements
For the year ended 31 December 2014

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 £47,259 (2013: £45,000). At 31 December 2014 contributions amounting to £36,458 (2013: £24,306) were payable to the fund and were included in creditors.

23. Related party transactions - group

During the year, Asset Alliance Finance Limited issued £500,000 (2013: £1,500,000) of deep discounted bonds to CS Capital Partners III L.P.. £1,156,179 (2013: £926,853) 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 2014 is £15,621,204 (2013: £13,965,025). The nominal value of the deep discounted bonds is due to be redeemed on 22 December 2022. The redemption date was changed from 31 July 2017 during the year. 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 (2013: £nil). 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 (2013: £8,000).

During the year, Asset Alliance Ltd paid expenditure on behalf of Asset Alliance Group Holdings Limited amounting to £2,710 (2013: £2,600). £826,305 (2013: £823,595) 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.

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 £377,111 (2013: £307,360) in relation to the hire purchase debtors and a balance of £368,531 (2013: £nil) in relation to the finance lease debtor. The cost of the assets acquired in the year for the purpose of letting under hire purchase contracts and finance leases is £1,024,488 (2013: £475,606).

Notes to the Financial Statements
For the year ended 31 December 2014

28. Continuing and acquired operations

	Continuing operations £	Acquired operations £	2014 Total £
Turnover	24,461,838	-	24,461,838
Cost of sales	(19,476,578)	-	(19,476,578)
Gross profit	4,985,260	-	4,985,260
Administrative expenses	(5,078,053)	-	(5,078,053)
Other operating income	48,320	-	48,320
Operating (loss)	(44,473)	-	(44,473)

	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)

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 which was paid in the year ended 31 December 2014.

29. Commitment to buy stock	2014 £	2013 £
Group		
Contracted for but not provided in the financial statements	421,000	421,000