



ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

Company registration number 09929174

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

COMPANY INFORMATION

Directors	A M Lannon W H Paterson D Wilson D Crawford
Company secretary	N Jennings
Registered number	09929174
Registered office	Arbuthnot House 7 Wilson Street London EC2M 2SN
Independent auditor	Azets Audit Services Chartered Accountants Titanium 1 King's Inch Place Renfrew PA4 8WF

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

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ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present the Strategic Report, the Directors' Report and the financial statements of the company for the year ended 31 December 2019.

Business review

The principal activity of the company is to act as a holding company for investments in Asset Alliance Leasing Limited and ATE Truck and Trailer Sales Limited, whose trade and assets were hived across to Asset Alliance Leasing Limited on 1 January 2019. The subsidiaries are engaged in contract hire and leasing of commercial vehicles, and the sale, rental and refurbishment of trailers and commercial vehicles. The company did not trade during the year or in the prior period.

Principal risks and uncertainties

Being non-trading, risks and uncertainties affecting the company are limited. The main risk is a downturn in the general economy and the adverse impact that this may have on the subsidiary businesses. The risk is mitigated within each of the subsidiaries as far as possible through regular Board meetings, budget reviews, planning processes and the preparation and analysis of detailed monthly management accounts.

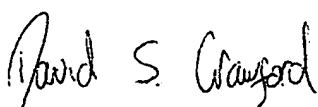
Financial key performance indicators

Given the nature of its operations, there are no key performance indicators.

Future Developments

Following the acquisition of the group from Arbuthnot Latham & Co., Limited, the group will use the funding available to continue to grow its position in the market.

This report was approved by the board on 29 April 2021 and signed on its behalf by:



D Crawford
Director

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dividends

The company did not trade in the current year or the prior period.

No dividends were paid during the year.

Directors

The directors who served during the year and up to the date the financial statements were signed were:

A M Lannon
W H Paterson
D Wilson (appointed 31 March 2021)
D Crawford (appointed 31 March 2021)
R J McDougall (resigned 31 March 2021)
J S Jenkins (resigned 31 March 2021)
D B McArthur (resigned 31 March 2021)

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

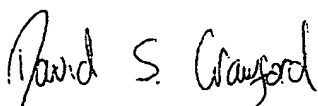
On 10 December 2020, Asset Alliance Group Holdings Limited entered into an agreement to sell its entire issued share capital to Arbuthnot Latham & Co., Limited, a subsidiary of the Arbuthnot Banking Group plc.

Following regulatory approval, the transaction with Arbuthnot Latham & Co., Limited completed on 31 March 2021. Shortly after completion, Arbuthnot Latham & Co., Limited provided funds to the Group which allowed the third-party revolving credit facility to be repaid in full.

Auditor

Following the acquisition of Scott-Moncrieff Chartered Accountants by Azets, Scott-Moncrieff Chartered Accountants resigned as auditor and were replaced by Azets Audit Services Limited, trading as Azets Audit Services, a company owned by Azets. The auditor, Azets Audit Services will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 April 2021 and signed on its behalf by:



D Crawford
Director

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

Opinion

We have audited the financial statements of Asset Alliance Group Finance No. 2 Limited for the year ended 31 December 2019, which comprise the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its results 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED (CONTINUED)

Responsibilities of the directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

Use of our report

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, as a body, 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.

Azets Audit Services

Bernadette Higgins (Senior Statutory Auditor)

for and on behalf of

Azets Audit Services, Statutory Auditor

Chartered Accountants

Chartered accountants

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

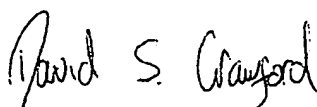
29 April 2021

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED
REGISTERED NUMBER:09929174

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	6		2,400,145		2,400,145
			<u>2,400,145</u>		<u>2,400,145</u>
Creditors: amounts falling due within one year	7	(1)		(1)	
Net current liabilities			<u>(1)</u>		<u>(1)</u>
Total assets less current liabilities			<u>2,400,144</u>		<u>2,400,144</u>
Net assets			<u>2,400,144</u>		<u>2,400,144</u>
Capital and reserves					
Called up share capital	8		100		100
Other reserves	9		2,400,044		2,400,044
			<u>2,400,144</u>		<u>2,400,144</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2021 by:



D Crawford
Director

The notes on pages 9 to 13 form part of these financial statements.

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital £	Other reserves £	Total equity £
At 1 January 2019	100	2,400,044	2,400,144
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2019	100	2,400,044	2,400,144

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Other reserves £	Total equity £
At 1 January 2018	100	2,400,044	2,400,144
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2018	100	2,400,044	2,400,144

The notes on pages 9 to 13 form part of these financial statements.

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up to 31 December 2019.

The continuing activity of Asset Alliance Group Finance No. 2 Limited is to act as a holding company for investments in Asset Alliance Leasing Limited and ATE Truck and Trailer Sales Limited, whose trade and assets were hived across to Asset Alliance Leasing Limited on 1 January 2019. The subsidiaries are engaged in contract hire and leasing of commercial vehicles, and the sale, rental and refurbishment of trailers and commercial vehicles. The company did not trade during the year or in the prior period.

Asset Alliance Group Finance No. 2 Limited is a company limited by shares incorporated in the United Kingdom and registered in England. Details of the registered number and office can be found on the company information page of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies, as detailed in note 3.

The following principal accounting policies have been applied:

2.2 Going concern

As noted in the Directors' Report, the share capital of Asset Alliance Group Holdings Limited was purchased by Arbuthnot Latham & Co., Limited, a subsidiary of the Arbuthnot Banking Group plc, on 31 March 2021. As part of the transaction, the group's liabilities in relation to the management loan notes, deep discount bonds and the revolving credit facility, have been settled. The group is now funded by way of a £200m facility, issued from its parent company, Arbuthnot Latham & Co., Limited.

As the group has access to significant funds through this facility, and given the commitment and support from its parent company, the directors believe that the preparation of the financial statements on a going concern basis is appropriate.

2.3 Consolidation

These financial statements are for the company. Asset Alliance Group Finance No.2 Limited is a parent entity and the exemption from consolidation has been taken as consolidated financial statements are prepared by its ultimate parent, Asset Alliance Group Holdings Limited, a company incorporated in the United Kingdom. Copies of the group financial statements may be obtained from that company's registered address.

Exemption has been taken from preparing a Statement of Cash Flows on the grounds that a group Statement of Cash Flows has been prepared. As the company does not trade, there are no cash transactions in the current year or prior period.

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when contractual rights to the cashflows from the assets expire, or when the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

2.6 Creditors

Short term creditors are measured at the transaction price.

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Share capital

Ordinary shares are classified as equity. Called up share capital represents the nominal value of shares that have been issued.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently. There are no areas of estimation.

4. Employees

There are no employees (2018: none) and the directors received no remuneration (2018: £nil) from the company.

5. Taxation

The company did not trade during the year or prior period and thus no corporation tax is due in the current year or prior period.

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	2,400,145
At 31 December 2019	<u>2,400,145</u>

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Asset Alliance Leasing Limited	Ordinary	100%
ATE Truck & Trailer Sales Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Asset Alliance Leasing Limited	(3,396,209)	(1,590,751)
ATE Truck & Trailer Sales Limited	1,296,557	-

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	1	1
	<u>1</u>	<u>1</u>

HSBC has unlimited multilateral Guarantees dated 9 February 2012 given by ATE Truck & Trailer Sales Limited and dated 23 March 2016 given by Asset Alliance Leasing Limited and Asset Alliance Group Finance No.2 Limited.

8. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100 (2018 - 100) £1 Ordinary Shares shares of £1.00 each	<u>100</u>	<u>100</u>

Ordinary shares are non-redeemable and one vote can be cast per share. Dividends may be declared in general meetings.

ASSET ALLIANCE GROUP FINANCE NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Reserves

Other reserves

In 2016 the investment in ATE Truck & Trailer Sales Limited was purchased from Asset Alliance Finance Limited for consideration of 100 £1 Ordinary shares. The difference between the investment value of £2,400,144 and the £100 of Ordinary share capital was taken to other reserves.

10. Related party transactions

As permitted under FRS 102, transactions with other companies in the group have not been disclosed as related party transactions.

11. Post balance sheet event

On 10 December 2020, Asset Alliance Group Holdings Limited entered into an agreement to sell its entire issued share capital to Arbuthnot Latham & Co., Limited, a subsidiary of the Arbuthnot Banking Group plc.

Following regulatory approval, the transaction with Arbuthnot Latham & Co., Limited completed on 31 March 2021. Shortly after completion, Arbuthnot Latham & Co., Limited provided funds to the Group which allowed the third-party revolving credit facility to be repaid in full.

12. Controlling party

100% of the share capital of Asset Alliance Group Finance No.2 Limited is owned by Asset Alliance Finance Limited. Asset Alliance Finance Limited is owned by Asset Alliance Group Holdings Limited. Asset Alliance Group Holdings Limited is a subsidiary of Arbuthnot Latham & Co., Limited (a company registered in England and Wales), which in turn is a subsidiary of Arbuthnot Banking Group PLC (also a company registered in England and Wales), which is the ultimate parent company. Sir Henry Angest, the Group Chairman and CEO, has a beneficial interest in 56.1% of the issued Ordinary share capital of Arbuthnot Banking Group PLC and is regarded by the Directors as the ultimate controlling party. A copy of the consolidated financial statements of Arbuthnot Banking Group PLC may be obtained from 7 Wilson Street, London, EC2M 2SN.

These financial statements are consolidated into the financial statements of Asset Alliance Group Holdings Limited. Copies of the Asset Alliance Group Holdings Limited consolidated financial statements can be obtained from its registered office at Arbuthnot House, 7 Wilson Street, London, EC2M 2SN.



VALLEY FINANCE LIMITED

Company registration number 04947666

FILING FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019



VALLEY FINANCE LIMITED

COMPANY INFORMATION

Directors	K Thornton W Paterson D Crawford M Bycroft D Wilson A Lannon
Company secretary	N Jennings
Registered number	04947666
Registered office	Arbuthnot House 7 Wilson Street London EC2M 2SN
Independent auditor	Azets Audit Services Chartered Accountants Titanium 1 King's Inch Place Renfrew PA4 8WF

VALLEY FINANCE LIMITED

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VALLEY FINANCE LIMITED
REGISTERED NUMBER:04947666

BALANCE SHEET
AS AT 31 DECEMBER 2019

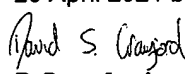
	Note	31 December 2019 £	31 January 2019 £
Fixed assets			
Tangible assets	4	-	488
Investments	5	-	13,308
		<u>-</u>	<u>13,796</u>
Current assets			
Debtors: amounts falling due within one year	6	131,374	549
Cash at bank and in hand		39,395	171,157
		<u>170,769</u>	<u>171,706</u>
Creditors: amounts falling due within one year	7	(11,714)	(15,047)
Net current assets		<u>159,055</u>	<u>156,659</u>
Total assets less current liabilities		<u>159,055</u>	<u>170,455</u>
Provisions for liabilities			
Deferred tax		-	(93)
		<u>-</u>	<u>(93)</u>
Net assets		<u><u>159,055</u></u>	<u><u>170,362</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		159,054	170,361
		<u><u>159,055</u></u>	<u><u>170,362</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

As permitted by Section 444 of the Companies Act 2006, the directors have not delivered to the Registrar a copy of the company's Statement of Income and Retained Earnings for the period ended 31 December 2019.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2021 by:


D Crawford
 Director

The notes on pages 2 to 8 form part of these financial statements.

VALLEY FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. General information

The financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the period ended 31 December 2019.

The continued activities of Valley Finance Limited continued to be that of finance broking.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is 04947666.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company is expected to cease to trade in early 2021 before becoming dormant.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the UK where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

VALLEY FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	15% Reducing balance
Computer equipment	-	33% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.8 Investments

Investments in listed company shares are remeasured to market value with movements in fair value recognised in profit or loss for the period.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.13 Share capital

Ordinary shares are classed as equity. Called up share capital represents the nominal value of the shares that have been issued.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and amounts owed to/due from group undertakings.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

VALLEY FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

3. Employees

The average monthly number of employees, including the directors, during the period was as follows:

2019 No.	2019 No.
2	2
<hr/>	<hr/>

4. Tangible fixed assets

	Office equipment and fixtures and fittings £
Cost or valuation	
At 1 February 2019	4,229
At 31 December 2019	4,229
Depreciation	
At 1 February 2019	3,741
Charge for period	488
At 31 December 2019	4,229
Net book value	
At 31 December 2019	-
At 31 January 2019	488

VALLEY FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

5. Fixed asset investments

	Listed investments £
At 1 February 2019	13,308
Disposals	(13,465)
Revaluations	157
At 31 December 2019	-

There was an increase in fair value of listed investments in the period of £157 (2019: £293). There were additions of £nil (2019: £640) in the period. The asset was disposed of for £13,465 during the period.

6. Debtors

	31 December 2019 £	31 January 2019 £
Trade debtors	132	-
Amounts owed by group undertakings	131,242	-
Prepayments and accrued income	-	549
	<u>131,374</u>	<u>549</u>

7. Creditors: Amounts falling due within one year

	31 December 2019 £	31 January 2019 £
Corporation tax	2,597	12,684
Other taxation and social security	3,983	586
Other creditors	-	237
Accruals	5,134	1,540
	<u>11,714</u>	<u>15,047</u>

VALLEY FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

8. Related party transactions

As permitted under Section 1A FRS 102, transactions with other companies in the group have not been disclosed as related party transactions as the company is a wholly owned subsidiary.

9. Post balance sheet events

On 10 December 2020, Asset Alliance Group Holdings Limited entered into an agreement to sell its entire issued share capital to Arbuthnot Latham & Co., Limited, a subsidiary of the Arbuthnot Banking Group plc.

Following regulatory approval, the transaction with Arbuthnot Latham & Co., Limited completed on 31 March 2021. Shortly after completion, Arbuthnot Latham & Co., Limited provided funds to the Group which allowed the third-party revolving credit facility to be repaid in full.

10. Controlling party

100% of Valley Finance Limited's share capital is owned by Asset Alliance Ltd, a company registered in England. The share capital of Asset Alliance Ltd is owned by Asset Alliance Finance Limited. Asset Alliance Finance Limited is 100% owned by Asset Alliance Group Holdings Limited. Asset Alliance Group Holdings Limited is a subsidiary of Arbuthnot Latham & Co., Limited (a company registered in England and Wales), which in turn is a subsidiary of Arbuthnot Banking Group PLC (also a company registered in England and Wales), which is the ultimate parent company. Sir Henry Angest, the Group Chairman and CEO, has a beneficial interest in 56.1% of the issued Ordinary share capital of Arbuthnot Banking Group PLC and is regarded by the Directors as the ultimate controlling party. A copy of the consolidated financial statements of Arbuthnot Banking Group PLC may be obtained from 7 Wilson Street, London, EC2M 2SN.

These financial statements are consolidated into the financial statements of Asset Alliance Group Holdings Limited. Copies of the Asset Alliance Group Holdings Limited consolidated financial statements can be obtained from its registered office at Arbuthnot House, 7 Wilson Street, London, EC2M 2SN.

11. Auditor's information

The audit report for these financial statements was unqualified and did not include any matters which the auditor drew attention by way of emphasis. The senior statutory auditor who signed the audit report was Bernadette Higgins and the auditor was Azets Audit Services.