

Registered number 4718090

**INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

**UNAUDITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2012**



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## **INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

### **COMPANY INFORMATION**

<b>Director</b>	M D Cunningham
<b>Company secretary</b>	Hazlitt Nominees Limited
<b>Registered number</b>	4718090
<b>Registered office</b>	7 Bath Place London EC2A 3DR
<b>Accountants</b>	BDO LLP 10 South Parade Leeds LS1 5QS

# **INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

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# INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2012

The director presents his report and the financial statements for the year ended 30 June 2012

### Principal activities

The principal activity of the company during the year was that of a holding company. The group's principal activity during the year was the provision of finance to consumer through personal loans.

### Director

The director who served during the year was

M D Cunningham

### Business review

The group and company's business activities, together with factors likely to affect its future development, performance and position have been considered by the Director. The financial position of the group and company, its cashflow, liquidity position and borrowing facilities have been described in the notes to the accounts.

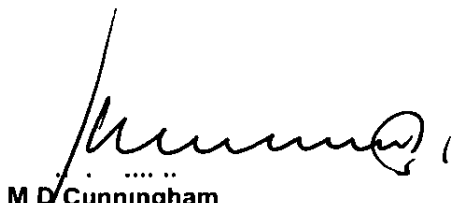
The group and company continue to actively collect the remaining receivable and recovery book however it is not originating new loans. During this recovery phase the group and company continues to preserve capital, reduce overheads and manage the rundown to maximise the result for and in agreement with the funding banks. During the year the company sold its Italian subsidiary as part of restructuring its Investec relationship. Investec is no longer a creditor of the International Acceptance (Holdings) Limited Group. In essence the group and company no longer trades, it simply collects its assets on balance sheet. Providing continued support is forthcoming from Barclays this activity will be maintained until collection is complete.

The Director has concluded that the combination of these circumstances mean that it is no longer appropriate for the group to prepare its accounts on a going concern basis. Therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business. For these reasons the financial accounts have continued to be prepared on a recovery basis with all loans to subsidiary companies reduced by provision for recovery since June 2009.

Other risks, currently regarded as immaterial, could turn out to be material and all risks have the potential to impact on the business, revenue, profits, assets, liquidity and capital resources adversely.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27.3.2013. and signed on its behalf



M D Cunningham  
Director

## **INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting 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 company and the group and of the profit or loss of the company and 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

## **INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

### **CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED FINANCIAL STATEMENTS OF INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED FOR THE YEAR ENDED 30 JUNE 2012**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of International Acceptance (Holdings) Limited for the year ended 30 June 2012 which comprise the consolidated profit and loss account, the statement of total recognised gains and losses, the consolidated balance sheet, the company balance sheet, and the related notes from the company's accounting records and from information and explanations you have given us

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/membershandbook](http://icaew.com/membershandbook)

This report is made solely to the director of International Acceptance (Holdings) Limited, in accordance with the terms of our engagement letter dated 27 November 2009. Our work has been undertaken solely to prepare for your approval the financial statements of International Acceptance (Holdings) Limited and state those matters that we have agreed to state to the director of International Acceptance (Holdings) Limited, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than International Acceptance (Holdings) Limited and its director for our work or for this report.

It is your duty to ensure that International Acceptance (Holdings) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of International Acceptance (Holdings) Limited. You consider that International Acceptance (Holdings) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of International Acceptance (Holdings) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

**BDO LLP**

**BDO LLP**  
Chartered Accountants  
Leeds  
United Kingdom

**15 April 2013**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2012**

	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>TURNOVER</b>	1,2	<b>250,796</b>	584,728
Administrative expenses		<b>(351,789)</b>	(2,718,066)
<b>OPERATING LOSS</b>	3	<b>(100,993)</b>	(2,133,338)
Profit on disposal of investments		<b>516,519</b>	-
Interest payable and similar charges		<b>(178,644)</b>	(286,551)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>236,882</b>	(2,419,889)
Tax on profit/(loss) on ordinary activities		-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>236,882</b>	(2,419,889)

The notes on pages 8 to 13 form part of these financial statements

**INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 £	2011 £
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>236,882</b>	<b>(2,419,889)</b>
Other movements in profit and loss reserve		<u><b>56,845</b></u>	<u><b>(1,658)</b></u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u><u><b>293,727</b></u></u>	<u><u><b>(2,421,547)</b></u></u>

The notes on pages 8 to 13 form part of these financial statements



**INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**  
**REGISTERED NUMBER 4718090**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2012**

	Note	£	2012 £	£	2011 £
<b>CURRENT ASSETS</b>					
Debtors	5	280,444		3,178,969	
Cash at bank and in hand		54,197		69,965	
		<u>334,641</u>		<u>3,248,934</u>	
<b>CREDITORS: amounts falling due within one year</b>					
	6	<u>(4,885,334)</u>		<u>(8,093,354)</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(4,550,693)</b>		<b>(4,844,420)</b>
<b>NET LIABILITIES</b>			<b>(4,550,693)</b>		<b>(4,844,420)</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		200		200
Profit and loss account	8		<u>(4,550,893)</u>		<u>(4,844,620)</u>
<b>SHAREHOLDERS' DEFICIT</b>			<b>(4,550,693)</b>		<b>(4,844,420)</b>

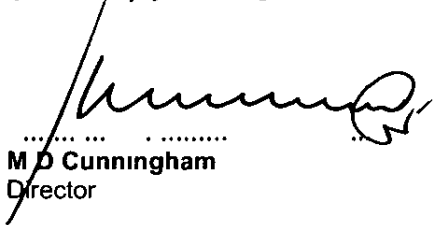
The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The director acknowledges his responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 June 2012 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

27 March 2013

  
M D Cunningham  
Director

The notes on pages 8 to 13 form part of these financial statements

**INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**  
**REGISTERED NUMBER 4718090**

**COMPANY BALANCE SHEET**  
**AS AT 30 JUNE 2012**

	Note	£	2012 £	2011 £
<b>FIXED ASSETS</b>				
Investments	4		4,139	408,207
<b>CURRENT ASSETS</b>				
Debtors	5	1,360,925	2,605,225	
Cash at bank		47,127	12,391	
		<u>1,408,052</u>	<u>2,617,616</u>	
<b>CREDITORS</b> amounts falling due within one year	6	<u>(6,119,108)</u>	<u>(8,612,197)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(4,711,056)</u>	<u>(5,994,581)</u>
<b>NET LIABILITIES</b>			<u>(4,706,917)</u>	<u>(5,586,374)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	7		200	200
Profit and loss account	8		<u>(4,707,117)</u>	<u>(5,586,574)</u>
<b>SHAREHOLDERS' DEFICIT</b>			<u>(4,706,917)</u>	<u>(5,586,374)</u>

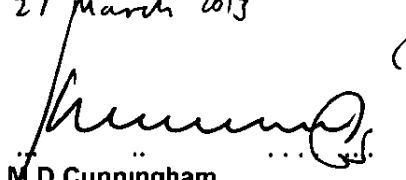
The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The director acknowledges his responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 June 2012 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far as applicable to the company

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

27 March 2013

  
**M D Cunningham**  
 Director

The notes on pages 8 to 13 form part of these financial statements

## INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

At the balance sheet date the group had net liabilities of £4,550,693 (2011 £4,844,420) and the company net liabilities of £4,706,917 (2011 £5,586,374)

The going concern basis for the preparation of the financial statements is not appropriate and the group is operating in a recovery phase. The financial statements by making provision against recovery of the loans to subsidiaries recognise the recovery basis of the group and the director feels that there are no other adjustments currently required in the financial statements as there would be no significant closure costs and assets are stated at their recoverable amounts

##### 1.2 Basis of consolidation

The financial statements consolidate the accounts of International Acceptance (Holdings) Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries sold are included up to the effective date of disposal

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own profit and loss account

The profit and loss account for the year dealt with in the accounts of the company was £879,457 (2011 - £73,721)

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of loan interest received during the year, exclusive of Value Added Tax and trade discounts

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	20% straight line
Fixtures & fittings	-	20% straight line
Office equipment	-	20% straight line
Computer equipment	-	25% straight line
Software - Lynx	-	33% straight line

##### 1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment

##### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

## **INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

#### **1. ACCOUNTING POLICIES (continued)**

##### **1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

##### **1.8 Commissions**

Commissions payable are capitalised and written off over the expected life of the loans provided

##### **1.9 Loans and advances**

Loans and advances are recognised at recoverable amount, after assessing required provisions for impairment. Impairment of a loan is recognised when there is a reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans and by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

The loan interest is calculated on the daily balance outstanding and is charged in arrears to a customer's account on the last day of each month. All loans are assessed on an individual basis.

Bad debts are written off when they are 6 months contractually in arrears, death, bankruptcy or skip. No provision for impairment has been recognised, therefore write-offs for bad debts are recognised as expenses in the profit and loss account.

##### **1.10 Subsidy Income**

Subsidy income is the amount paid by the introducer (not the customer) by deducting from settled loans an amount which is disclosed on the contract as a commission payment payable to International Acceptance Limited, a subsidiary company. The subsidy is paid and earned at the time the loan is settled and is only refunded to the introducer in the case of cancellation of the loan in the first 14 days of the loan term. The subsidy represents charge with all economic benefit flowing to International Acceptance Limited at the time of the loan settlement. From 1 July 2009, all income from subsidies has been recognized at the time the loan is settled.

#### **2. TURNOVER**

60.6% of the company's turnover (2011 - 96.0%) is attributable to geographical markets outside the United Kingdom.

**INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**3. OPERATING LOSS**

The operating loss is stated after charging

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets		
- owned by the group	-	32,808
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2011 - £NIL)

# INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

### 4. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Company</b>	
<b>Cost or valuation</b>	
At 1 July 2011	408,207
Disposals	(404,068)
At 30 June 2012	4,139
<b>Net book value</b>	
At 30 June 2012	4,139
At 30 June 2011	408,207

Details of the principal subsidiaries can be found under note number 11

### 5. DEBTORS

	<b>Group</b>		<b>Company</b>	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	274,292	3,169,309	41,123	102,064
Amounts owed by group undertakings	-	-	1,319,801	2,503,161
Other debtors	6,152	9,660	1	-
	<b>280,444</b>	<b>3,178,969</b>	<b>1,360,925</b>	<b>2,605,225</b>

### 6 CREDITORS: Amounts falling due within one year

	<b>Group</b>		<b>Company</b>	
	2012	2011	2012	2011
	£	£	£	£
Other loans	715,000	715,000	715,000	715,000
Bank loans and overdrafts	4,024,604	7,044,630	4,024,604	7,044,465
Trade creditors	67,119	202,535	-	-
Amounts owed to group undertakings	-	-	1,379,440	852,255
Social security and other taxes	2,419	8,196	-	-
Other creditors	76,192	122,993	64	477
	<b>4,885,334</b>	<b>8,093,354</b>	<b>6,119,108</b>	<b>8,612,197</b>

The bank loans of the group are secured on the assets of the group companies

# INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

### 7 SHARE CAPITAL

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>

### 8 RESERVES

	<b>Profit and loss account £</b>
<b>Group</b>	
At 1 July 2011	(4,844,620)
Profit for the year	236,882
Other movements	56,845
	<u>(4,550,893)</u>
At 30 June 2012	<u>(4,550,893)</u>
	<b>Profit and loss account £</b>
<b>Company</b>	
At 1 July 2011	(5,586,574)
Profit for the year	879,457
	<u>(4,707,117)</u>
At 30 June 2012	<u>(4,707,117)</u>

### 9 RELATED PARTY TRANSACTIONS

At the year end the company owed £1,215,000 (2011 - £715,000) to IA Europe Limited (formerly G & C Private Equity Limited), the ultimate controlling party of the company

The company has taken the exemption conferred by FRS8 to not disclose transactions with other group companies

### 10 CONTROLLING PARTY

The company is controlled by IA Europe Limited (formerly G & C Private Equity Limited), a company registered in Nevis, British West Indies

## INTERNATIONAL ACCEPTANCE (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

#### 11. PRINCIPAL SUBSIDIARIES

The company's subsidiary undertakings are listed below. The principal activity of International Acceptance Limited, International Acceptance SRL and International Acceptance Spain SL is the provision of consumer finance. International Acceptance (Operations) Limited is a service company responsible for the administration of group companies and was previously involved in the brokerage of personal finance products. Evergreen Collections SRL is a company which provides debt collection services.

Company name	Country	Percentage Shareholding	Description
International Acceptance (Operations) Limited	England and Wales	100	Ordinary shares of £1 each
International Acceptance Limited	England and Wales	100	Ordinary shares of £1 each
International Acceptance SL	Spain	100	Ordinary shares of €1 each
International Acceptance SRL	Italy	100	Ordinary shares of €1 each
Evergreen Collections SRL	Italy	100	Ordinary shares of €1 each

International Acceptance SRL was disposed of on 30 June 2012.