

Registered number 06913207

**Absolute Invoice Finance (Holdings) Limited**

(Formerly ABS FS Limited)

Directors' report and financial statements  
for the 6 month period ended 31 December  
2009

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# **Absolute Invoice Finance (Holdings) Limited**

## **Directors' report and financial statements for the 6 month period ended 31 December 2009**

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# **Absolute Invoice Finance (Holdings) Limited**

## **Director and advisers**

### **Director**

A Wynn (appointed 14 September 2009)

### **Company Secretary**

None appointed

### **Registered Office**

c/o Aldermore Bank plc  
1<sup>st</sup> Floor Block B  
Western House  
Peterborough Business Park  
Lynchwood  
Peterborough  
PE2 6FZ

Registered in England

Registered number 06913207

### **Independent Auditors**

KPMG Audit Plc  
1 The Embankment  
Neville Street, Leeds  
LS1 4DW

# **Absolute Invoice Finance (Holdings) Limited**

## **Directors' report for the 6 month period ended 31 December 2009**

The sole director of Absolute Invoice Finance (Holdings) Limited (the 'Company') submits his Directors' Report together with the audited financial statements of the Company for the 6 month period ended 31 December 2009

### **Principal activities**

The Company's principal activity is to act as a holding company for its subsidiaries, Absolute Invoice Finance Limited and Absolute Invoice Finance (Oxford) Limited

### **Business review**

The Company was incorporated on 21 May 2009 as ABS FS Limited, a wholly owned subsidiary of AnaCap Financial Partners II LP, a Guernsey Limited Partnership, advised by European Private Equity Firm, AnaCap Financial Partners LLP ('AnaCap')

The Company changed its name to Absolute Invoice Finance (Holdings) Limited on 14 September 2009 when its issued share capital was increased to £25,000,000 and it acquired the entire share capital of Absolute Invoice Finance Limited and its wholly owned subsidiary, Absolute Invoice Finance (Oxford) Limited

The Company was acquired by Aldermore Bank plc ('Aldermore') on 17 November 2009 Aldermore's ultimate parent undertaking is AC Acquisitions Limited, a company incorporated in England and AC Acquisitions Limited is controlled by AnaCap Derby co-investment (No 1) LP (39.0%), AnaCap Financial Partners II LP (10.45%) and AnaCap Financial Partners LP (47.9%)

The Company's issued share capital was reduced by special resolution to £1 on 17 November 2009 The purpose of the capital reduction was to create a distributable reserve to allow the Company to make a dividend in specie to its sole member The net assets of the Company and those of its wholly owned subsidiaries, were paid up to Aldermore by dividend in specie at close of business on this date, their business is now conducted as a trading division of Aldermore

### **Results and dividends**

The company reported a loss for the 6 month period after taxation of £3,664,796

### **Dividends**

The Company received a dividend in specie of £6,612,163 on 17 November 2009 and, after reducing its own share capital, immediately paid a dividend in specie of £21,335,202 to Aldermore to reduce its net assets to £2 No other dividends were declared in respect of the 6 month period ended 31 December 2009

### **Directors**

The directors of the Company during the 6 month period and up to the date of signing the financial statements were

A Wynn (appointed 27 July 2009)

PB Cartwright (appointed 21 May 2009, resigned 17 November 2009)

M Torciano (appointed 21 May 2009, resigned 27 July 2009)

## **Absolute Invoice Finance (Holdings) Limited**

### **Directors' report for the 6 month period ended 31 December 2009 (continued)**

#### **Disclosure of information to auditors**

The director who held office at the date of approval of this directors' report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

#### **Independent auditors**

In accordance with the Companies Act 2006 KPMG Audit Plc ("KPMG"), the auditors of Aldermore Bank plc, has been appointed as auditors of the Company Pursuant to section 487 of the Companies Act 2006 the Company has passed an elective resolution to dispense with the obligation to re-appoint auditors annually

By order of the board

A handwritten signature in black ink, appearing to read 'A Wynn', followed by a long horizontal flourish.

A Wynn  
Director  
15 June 2010

## **Absolute Invoice Finance (Holdings) Limited**

### **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 and then apply them consistently,
- make judgments and 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Absolute Invoice Finance (Holdings) Limited**

### **Independent auditors' report to the members of Absolute Invoice Finance (Holdings) Limited**

We have audited the financial statements of Absolute Invoice Finance (Holdings) Limited for the 6 month period ended 31<sup>st</sup> December 2009 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

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 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the 6 month period then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the 6 month period for which the financial statements are prepared is consistent with the financial statements.

## **Absolute Invoice Finance (Holdings) Limited**

### **Independent auditors' report to the members of Absolute Invoice Finance (Holdings) Limited (continued)**

#### **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, 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



**Jonathan Bingham (Senior Statutory Auditor)**  
**For and on behalf of KPMG Audit Plc, Statutory Auditor**  
*Chartered Accountants*  
1 The Embankment,  
Neville Street  
Leeds  
LS1 4DW  
15 June 2010



## Absolute Invoice Finance (Holdings) Limited

### Profit and loss account for the 6 month period ended 31 December 2009

	Notes	Discontinued operations
		£
<b>Turnover</b>		-
<b>Cost of sales</b>		-
<b>Gross profit</b>		-
Administrative expenses	2	-
<b>Operating profit</b>		-
Income from shares in group undertakings		
Dividend in specie received from Absolute Invoice Finance Limited		6,612,163
Write down investment in Absolute Invoice Finance Limited	4	(10,278,285)
Other interest receivable and similar income		1,326
<b>Loss on ordinary activities before taxation</b>	2	(3,664,796)
Tax on loss on ordinary activities	3	-
<b>Loss for the 6 month financial period</b>	6	(3,664,796)

The notes and information on pages 10 to 13 form part of these financial statements. The Company has no gains and losses other than those included in the results above and therefore no separate statement of total gains and losses has been presented.

The loss and profit for the 6 month period calculated on a historical cost basis is not materially different to the loss disclosed above. Accordingly a note of the historical cost profits and losses as required by paragraph 26 of FRS 3 has not been presented.

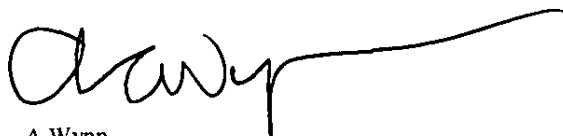
## Absolute Invoice Finance (Holdings) Limited

### Balance sheet as at 31 December 2009

	Notes	£
<b>Non current assets</b>		
Investment in subsidiary undertaking	4	2
<b>Current assets</b>		
Cash at bank and in hand		-
<b>Net assets</b>		<b>2</b>
<b>Capital and reserves</b>		
Called up share capital	5	1
Profit and loss account reserve	6	1
<b>Shareholders' funds</b>		<b>2</b>

The notes and information on pages 10 to 13 forms part of these financial statements

The financial statements were approved by the board of directors on 15 June 2010 and were signed on its behalf by



A Wynn

Director

Company registered number 06913207

## **Absolute Invoice Finance (Holdings) Limited**

### **Reconciliation of movements in Shareholders' Funds for the 6 month period ended 31 December 2009**

	Notes	2009 £
<b>Loss for the 6 month financial period</b>		<b>(3,664,796 )</b>
Issue of share capital (since reduced)		25,000,000
Dividends on shares classified in shareholders' funds		
- Dividend in specie		(21,335,202)
<b>Net addition to shareholders' funds</b>		<b>2</b>
Opening shareholders' funds		-
<b>Closing shareholders' funds</b>		<b>2</b>

# **Absolute Invoice Finance (Holdings) Limited**

## **Notes to the financial statements for the 6 month period ended 31 December 2009**

### **1 Accounting policies**

Absolute Invoice Finance (Holdings) Limited (the 'Company') is a company domiciled in the United Kingdom. Consolidated financial statements have not been prepared in accordance with section 400 of the Companies Act 2006 as, at 31 December 2009, the Company was a wholly owned subsidiary of AC Acquisitions Limited which has prepared consolidated financial statements including the Company, while owned, for the year ended 31 December 2009.

#### **1.1 Statement of compliance**

These financial statements have been prepared in accordance with UK GAAP (United Kingdom Generally Accepted Accounting Practice). They have also been prepared in accordance with the Companies Act 2006 as applicable to companies reporting under UK GAAP.

#### **1.2 Basis of preparation**

The financial statements are prepared on the going concern basis and under the historical cost convention, and are presented in Pounds Sterling, the Company's functional and presentational currency.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting. The Company is exempt by virtue of sections 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The preparation of financial statements in conformity with UK GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### **1.3 Cash flow statement**

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the financial statements of the ultimate parent company, AC Acquisitions Limited, which are available to the public and can be obtained from the address given in note 7.

#### **1.4 Going concern**

Although the Company's business is now conducted as a trading division of Aldermore Bank plc, it is considered to be a going concern by virtue of having positive shareholders' funds and no liabilities at 31 December 2009 and because the Company will continue for at least a further 12 months from the date of signing these financial statements.

# **Absolute Invoice Finance (Holdings) Limited**

## **Notes to the financial statements for the 6 month period ended 31 December 2009 (continued)**

### **1 Accounting policies (continued)**

#### **1.5 Transactions with related parties**

As the Company is a wholly owned subsidiary of AC Acquisitions Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

#### **1.6 Dividends in specie**

The net assets of the Company and those of its recently acquired subsidiaries, Absolute Invoice Finance Limited and Absolute Invoice (Oxford) Finance Limited, were paid up to Aldermore Bank plc ("Aldermore") by dividend in specie at close of business on 17 November 2009, their business is now conducted as a trading division of Aldermore. Dividends in specie, both received and paid, are measured at the carrying value of the net assets distributed

#### **1.7 Investments in subsidiary undertakings**

Investments in subsidiary undertakings are initially recognised at cost. The Company recognises income from the investment only to the extent that it receives distributions from post-acquisition accumulated profits. Distributions received in excess of such profits are regarded as a recovery of investment and recognised as a reduction in the cost of the investment.

At each reporting date, an assessment is made as to whether there is any indication that the investment may be impaired. If such an indication exists, the Company estimates the investment's recoverable amount. The investment is written down to the recoverable amount if this is lower than its carrying value. The impairment loss is recognised in the profit and loss account within administrative expenses.

#### **1.8 Current tax**

The charge for taxation is based on the profit/loss for the 6 month period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

#### **1.9 Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### **1.10 Called up share capital**

Ordinary shares are classified as equity. Shares are recorded at their nominal value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

## **Absolute Invoice Finance (Holdings) Limited**

### **Notes to the financial statements for the 6 month period ended 31 December 2009 (continued)**

#### **2 Notes to the profit and loss account (discontinued operations)**

The proportion of the Absolute Invoice Finance (Holdings) Limited group audit fee relating to the Company, estimated at £3,000, has been charged to its subsidiary undertaking, Absolute Invoice Finance Limited. The Company has received no charges in respect of non-audit fees from its auditors KPMG Audit Plc.

The Company has no staff of its own or director's emoluments.

#### **3 Taxation**

There is no tax charge which is consistent with no trading activity.

#### **4 Investment in subsidiary undertaking**

<b>Cost</b>	<b>£</b>
At 21 May 2009	-
Acquisition of Absolute Invoice Finance Limited	10,278,287
Write off following receipt of dividend in specie	(10,278,285)
<b>At 31 December 2009</b>	<b>2</b>

The Company acquired the entire share capital of Absolute Invoice Finance Limited and its wholly owned subsidiary, Absolute Invoice Finance (Oxford) Limited on 14 September 2009. Both companies are registered in England and Wales. There are professional fees of £1,368,687 included with the cost of acquisition.

The Company was acquired by Aldermore Bank plc ('Aldermore') on 17 November 2009. The net assets of the Company and those of its subsidiaries, were paid up to Aldermore by dividend in specie at close of business on 17 November 2009, their business is now conducted as a trading division of Aldermore.

#### **5 Share capital**

The Company was incorporated on 21 May 2009 with an issued ordinary share capital of 1 ordinary share of £1. Its issued share capital was increased to £25,000,000 on 14 September 2009 and was then reduced by special resolution to £1 on 17 November 2009. As a result of this resolution the Company is no longer subject to an authorised share capital. The purpose of the capital reduction was to create a distributable reserve to allow the Company to make a dividend in specie to its sole member.

At 31 December 2009 the Company's issued ordinary share capital remained 1 ordinary share of £1.

## **Absolute Invoice Finance (Holdings) Limited**

### **Notes to the financial statements for the 6 month period ended 31 December 2009 (continued)**

#### **6 Profit and loss account**

	Notes	£
At 21 May 2009		-
Loss for 6 month period		(3,664,796)
Reduction of share capital	5	24,999,999
Dividend in specie to Aldermore Bank plc		(21,335,202)
<b>At end of 6 month period</b>		<b>1</b>

#### **7 Related party transactions**

##### **Ultimate parent undertaking**

The Company was acquired by Aldermore Bank plc ('Aldermore') on 17 November 2009. At 31 December 2009, the Company's ultimate parent undertaking and controlling party was AC Acquisitions Limited, registered in England and Wales and controlled by AnaCap Derby co-investment (No 1) LP (39.0%), AnaCap Financial Partners II LP (10.45%) and AnaCap Financial Partners LP (47.9%).

The consolidated financial statements of AC Acquisitions Limited are available to the public and may be obtained c/o AnaCap Financial Partners LLP, 4<sup>th</sup> Floor, 25 Bedford Street, London, WC2E 9ES.

##### **Related party transactions**

The net assets of Absolute Invoice Finance (Holdings) Limited and its subsidiaries, Absolute Invoice Finance Limited and Absolute Invoice Finance (Oxford) Limited, were paid up to Aldermore by dividend in specie at close of business on 17 November 2009. Their businesses are now conducted as a trading division of Aldermore.

As the Company and Aldermore are wholly owned subsidiaries of AC Acquisitions Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the AC Acquisitions Limited group.

Prior to 17 November 2009 the company was a wholly owned subsidiary of AnaCap Financial Partners II LP, a Guernsey Limited Partnership, advised by European Private Equity Firm, AnaCap Financial Partners LLP. The Company paid £500,000 to AnaCap Financial Partners II LP during the 6 month period for negotiation services and advice relating to the raising of finance for the Company. This cost forms a part of the cost of the Company's investment in subsidiary undertakings.