Registered number: 02765920

ASSET ADVANTAGE GROUP LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

ASSET ADVANTAGE GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	J C G Eddy P J Knight P J Lewin M P M Olive A J Ramsay (appointed 1 July 2014)
REGISTERED NUMBER	02765920
REGISTERED OFFICE	3rd Floor Matrix House Basing View Basingstoke Hampshire RG21 4DZ
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Reading Central 23 Forbury Road Reading Berkshire RG1 3JH

ASSET ADVANTAGE GROUP LIMITED

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ASSET ADVANTAGE GROUP LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

INTRODUCTION

As stated in the directors' report, the principal activity of the company and the group is the trading and leasing of equipment Throughout the year, the company and group continued to have a presence in two separate, but related asset finance markets the public sector market in which the group has an historical portfolio of predominantly operating leases, and the SME market, where all new business is transacted in the form of finance leases and hire purchase contracts written in the name of Asset Advantage Limited ("AAL"), a wholly owned subsidiary of the group (NB the company and group classifies operating and finance leases as per the definitions laid down in SSAP 21 – Accounting for leases and hire purchase contracts)

The historic public sector portfolio is made up of operating leases funded through back-to-back head leases. The group will usually retain an investment in the residual value of the leased asset and as such, the majority of the value to the group of this portfolio is realised at the end of the lease Consequently, as this portfolio runs down, the residual value is realised either through a sale of the asset or through secondary rentals In both scenarios, the portfolio provides cash to fund the growing SME new business portfolio

The SME portfolio is funded through borrowings to lend alongside the group's own equity investment – typically in the form of block discounting facilities The group writes the finance lease or hire purchase contract with the SME and then borrows funds from a 3rd party secured against the cash receivables under the agreement.

The group continues to source new business from professional introducers, providing both a low fixed overhead yet scalable new business model as access to a pool of highly experienced individuals covering a range of SME markets and geographical areas Our underwriting process for new SME business continues to emphasise the underlying credit quality of our customers over the strength of the underlying asset – resulting in both a low bad debt ratio and a portfolio of leases covering a diverse range of assets

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The year ended 30 September 2014 saw the group's public sector portfolio continue to run down resulting in a fall in turnover and cost of sales This result was anticipated and reflects the move in business focus to SME lending

The SME lending portfolio continued to grow, with £34.3m of new business being written in the year, an increase of over £10.9m on the £23 4m recorded in the year ended 30 September 2013 This growth was in part helped by the launch of a new commercial loan product to SME borrowers, to be marketed alongside the group's asset finance offering to the same clients

As with the SME asset finance deals, the SME loan contracts are written in the name of AAL and sold via existing distribution channels It is available to SMEs where asset finance is not appropriate but where funding is required for the purchase or finance of business critical assets As our asset finance underwriting process emphasises the underlying credit quality of the customer it can be applied with equal success to the commercial loan product

As stated above, the public sector lease portfolio is funded through back-to-back head leases This means that as the lease portfolio runs down, so does the group's exposure under the head leases The result of this is a reduction in interest expense in the period However, offsetting this reduction in part is the increased cost related to the increased block funding required for the SME lending portfolio

One further development in the year witnessed the establishment of a new subsidiary group, Advantage Risk Solutions Holdings Ltd and Advantage Risk Solutions Ltd ("ARS"), to provide insurance and risk management solutions to SMEs and their owners With the establishment of this product, the group aims to broaden the offering to its core SME customer base and provide a further revenue stream As at 30 September 2014, the Financial Conduct Authority was progressing ARS's application for permission Permission was granted 21 November 2014, and the company has since begun trading

The directors are satisfied with the group's performance in the current economic climate and that all KPIs (in particular turnover and net income) have been achieved The main KPIs for the business include

Profit vs budget
Bad debt as % of NBV
IRR% vs Target
Average IRR% by broker
Residual value vs market value

Funding for new business continues to grow both in terms of facility sizes and number of lenders, enabling the continued progression and development of the business

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the group, as with any lessor, are as follows

An increase in bad debt·
This could result from both internal and external factors The principal internal factors would be a change in credit policy (encompassing not only credit underwriting, but also in products offered and markets) However, the credit policy has consistently resulted in low levels of bad debt year on year and therefore there are no plans to change it Similarly, the business is providing profitable products in a market that the directors believe is sufficiently large for the group to continue to grow profits and portfolio size in the future and therefore there are no plans to change these Although the directors have no influence over external factors such as a weakening economy, they have endeavoured to mitigate the risks through financing a broad mix of asset types, industry sectors, business types, demographics and by maintaining an average customer exposure of c 0 25% of the portfolio Furthermore, investment in IT systems enables us to produce comprehensive reporting packs facilitating regular and informed analysis of portfolio characteristics and trends

Liquidity Risk
The Group funds its operations out of its own cash resources and through 3rd party funding Whilst it maintains sufficient headroom in its funding facilities to ensure cash is available at all times, there is a small risk that insufficient funds would be available. To mitigate this liquidity risk, the group forecasts short term cash requirements and long term cash flows 12 months in advance and monitors its performance against these targets Furthermore, management actively seek out further funding at all times, to ensure that funding is available in the future

A downturn in residual values
This risk is mitigated as the group has a diverse portfolio of asset types leased over a wide range of terms thereby avoiding a concentration of one asset type being returned at the same time Exposure is monitored through regular portfolio valuations and appropriate provisions are made where necessary. The risk is expected to reduce over time as the public sector operating lease portfolio declines and becomes a smaller part of the business.

DISCLOSURE OF NON FINANCIAL KEY PERFORMANCE INDICATORS

The group does not currently make use of non-financial key performance indicators

This report was approved by the board on 30 June 2015 and signed on its behalf.

J C G Eddy
Director

ASSET ADVANTAGE GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors present their annual report and the audited consolidated financial statements for the year ended 30 September 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 prepared the group and parent 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 group and the 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 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 group and the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 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 company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

PRINCIPAL ACTIVITIES

The principal activity of the company and the group is the trading and leasing of equipment

RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to £2,036,303 (2013 - £2,448,884).

The directors have approved the dividends as set out in note 9 Interim dividends of £100,000 were paid on 06 January 2014, 07 April 2014 and 08 July 2014 (2013 £200,000, paid 08 April 2013). The final dividend of £100,000 (2013 £200,000) was approved by written resolution and was paid on 07 October 2014

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were

J C G Eddy
P J Knight
P J Lewin
M P M Olive
A J Ramsay (appointed 1 July 2014)

ASSET ADVANTAGE GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

FUTURE DEVELOPMENTS

The directors anticipate the continued growth of the SME portfolio and rundown of the public sector portfolio over the next few years

FINANCIAL RISK MANAGEMENT

Please refer to the strategic report for details of the company's risk management policies

The Group funds its operations out of its own cash resources and through 3rd party funding. Whilst it maintains sufficient headroom in its funding facilities to ensure cash is available at all times, there is a small risk that insufficient funds would be available To mitigate this liquidity risk, the Group forecasts short term cash requirements and long term cash flows 12 months in advance and monitors its performance against these targets Furthermore, management actively seek out further funding at all times, to ensure that funding is available in the future

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that 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 and the group's auditors are aware of that information

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 30 June 2015 and signed on its behalf

J C G Eddy
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSET ADVANTAGE GROUP LIMITED

Report on the financial statements

Our opinion

In our opinion Asset Advantage Group Limited's group financial statements, and company financial statements (the "financial statements")

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2014 and of the group's profit and cash flows 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.

What we have audited

Asset Advantage Group Limited's financial statements comprise

- the group and parent company balance sheets as at 30 September 2014,
- the consolidated profit and loss account for the year then ended,
- the consolidated cashflow statement for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates In making such estimates, they have made assumptions and considered future events

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit; or
- 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made We have no exceptions to report arising from this responsibility.

ASSET ADVANTAGE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSET ADVANTAGE GROUP LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK and Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Christine Dobson (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Reading

30 June 2015

ASSET ADVANTAGE GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 £	2013 £
TURNOVER	2	**32,568,095**	36,544,428
Cost of sales		**(23,190,169)**	(26,808,327)
GROSS PROFIT		**9,377,926**	9,736,101
Administrative expenses		**(3,725,511)**	(2,651,824)
OPERATING PROFIT		**5,652,415**	7,084,277
Interest receivable and similar income	3	**1,521**	19,445
Interest payable and similar charges	4	**(2,430,743)**	(3,515,013)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**3,223,193**	3,588,709
Tax on profit on ordinary activities	6	**(1,186,890)**	(1,139,825)
PROFIT FOR THE FINANCIAL YEAR	20	**2,036,303**	2,448,884

All amounts relate to continuing operations

There were no recognised gains and losses for the years ended 30 September 2014 or 2013 other than those included in the Profit and loss account

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 12 to 33 form part of these financial statements

ASSET ADVANTAGE GROUP LIMITED
REGISTERED NUMBER· 02765920

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	12		5,244,388		8,935,339
CURRENT ASSETS					
Stocks	13	673,050		1,045,875	
Debtors· amounts falling due after more than one year	14	33,319,143		21,354,023	
Debtors amounts falling due within one year	14	20,580,229		15,451,789	
Investments in residual values	15	1,413,293		2,814,343	
Cash at bank and in hand		5,858,761		4,835,326	
		61,844,476		45,501,356	
CREDITORS: amounts falling due within one year	16	(25,740,830)		(22,451,945)	
NET CURRENT ASSETS			36,103,646		23,049,411
TOTAL ASSETS LESS CURRENT LIABILITIES			41,348,034		31,984,750
CREDITORS: amounts falling due after more than one year	17		(27,548,293)		(19,821,217)
NET ASSETS			13,799,741		12,163,533
CAPITAL AND RESERVES					
Called up share capital	19		550,000		550,000
Profit and loss account	20		13,249,711		11,613,408
TOTAL SHAREHOLDERS' FUNDS	21		13,799,711		12,163,408
MINORITY INTERESTS			30		125
			13,799,741		12,163,533

The financial statements on pages 8 to 33 were approved by the Board of Directors on 30 June 2015.and were signed on its behalf by

J C G Eddy
Director

The notes on pages 12 to 33 form part of these financial statements

ASSET ADVANTAGE GROUP LIMITED
REGISTERED NUMBER: 02765920

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	12		2,575,267		3,422,164
Investments	10		140		1,401,322
			2,575,407		4,823,486
CURRENT ASSETS					
Stocks	13	120,307		318,235	
Debtors amounts falling due within one year	14	8,888,022		9,436,177	
Investments in residual value	15	297,100		661,416	
Cash at bank and in hand		2,023,609		2,459,229	
		11,329,038		12,875,057	
CREDITORS: amounts falling due within one year	16	(3,116,327)		(6,238,242)	
NET CURRENT ASSETS			8,212,711		6,636,815
TOTAL ASSETS LESS CURRENT LIABILITIES			10,788,118		11,460,301
CREDITORS: amounts falling due after more than one year	17		(1,869,292)		(2,658,593)
NET ASSETS			8,918,826		8,801,708
CAPITAL AND RESERVES					
Called up share capital	19		550,000		550,000
Profit and loss account	20		8,368,826		8,251,708
TOTAL SHAREHOLDERS' FUNDS	21		8,918,826		8,801,708

The financial statements on pages 8 to 33 were approved by the Board of Directors on 30 June 2015 and were signed on its behalf by

J C G Eddy
Director

The notes on pages 12 to 33 form part of these financial statements.

ASSET ADVANTAGE GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	22	**(8,261,324)**	(1,176,909)
Returns on investments and servicing of finance	23	**(2,429,317)**	(3,495,568)
Taxation		**(435,636)**	(300,000)
Capital expenditure and financial investment	23	**2,375,745**	6,221,741
Equity dividends paid		**(500,000)**	(355,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		**(9,250,532)**	894,264
Financing	23	**10,273,967**	(1,536,167)
INCREASE/(DECREASE) IN CASH IN THE YEAR		**1,023,435**	(641,903)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	**1,023,435**	(641,903)
Cash inflow/(outflow) from decrease/(increase) in debt and lease financing	**(10,273,967)**	1,096,167
MOVEMENT IN NET DEBT IN THE YEAR	**(9,250,532)**	454,264
Net debt at 1 October 2013	**(30,979,045)**	(31,433,309)
NET DEBT AT 30 SEPTEMBER 2014	**(40,229,577)**	(30,979,045)

The notes on pages 12 to 33 form part of these financial statements

ASSET ADVANTAGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Exemption from audit by parent guarantee

Under Section 479A of the Companies Act 2006, exemptions from an audit of the accounts for the financial year ending 30 September 2014 have been taken by the the companies stated below

Company Name	Registered Number
AARV Limited	07383482
AssetcoRentals (No 2) Limited	03911424
RV Investor (No1) Limited	06489289
Advantage Risk Solutions (Holdings) Limited	08936391
Advantage Risk Solutions Limited	08836855
AAG Holdings (UK) Limited	09236621
AAL Holdings (UK) Limited	09236618
AAG Operations Limited	09235397
RA (No 2) Limited	06476895
RA (No 3) Limited	06476899
RA (No 4) Limited	06476894
RA (No 5) Limited	06476906
RA (No 6) Limited	07327662
RA (No 7) Limited	07327677
RA (No 8) Limited	07327764
RA (No 9) Limited	07327721
RA (No 10) Limited	07327683
RA (No 11) Limited	08429945
RA (No 12) Limited	08429964
RA (No 13) Limited	08725470
RA (No 14) Limited	08725490
RA (No 15) Limited	08725182
Assetco Equipment Finance Limited	02580514

As required, the Company guarantees all outstanding liabilities to which the subsidiary companies listed above are subject at the end of the financial year, until they are satisfied in full and the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary companies listed above is liable in respect of those liabilities

The principal accounting policies which have been applied consistently throughout the year, are set out below

1. ACCOUNTING POLICIES (continued)

1.2 Basis of consolidation

The Group financial statements incorporate the financial statements of Asset Advantage Group Limited and all of its subsidiary undertakings ('subsidiaries') using the acquisition method of accounting The financial statements of all principal subsidiaries were drawn up to 30th September 2014

The results of subsidiaries acquired during the year are included from the effective date of acquisition

The Group adopts uniform accounting policies No adjustments have been made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.3 Goodwill

Goodwill arising on the acquisition of group undertakings and businesses is represented by the excess of consideration paid over the fair value of the net assets acquired. Goodwill is capitalised and amortised on a straight line basis over 10 years, which is the period over which the company is expected to derive the value of the assets

The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account

1.4 Fixed asset investments

Investments in subsidiaries are valued at cost less provision for impairment where appropriate Impairment reviews are carried out by the directors when indications show a potential impairment

1. ACCOUNTING POLICIES (continued)

1.5 Leases

As part of its asset management activities, the company enters into leases with customers that are funded through related head leases or head hire purchase (HP) facilities with financial institutions Under the terms of the head leases, the company will normally act as the lessor's agent for disposing of the residual assets at the end of the lease term and may participate in the proceeds of sale The accounting treatment of these head leases and subleases depends on the substance of the arrangements

Where the company simultaneously enters into a head lease and sublease under terms that limit the funder's recourse to the company to certain specific cash flows from the sublease in such a way that all the benefits and all the risks associated with those cash flows are transferred to the funder, the arrangements are accounted for as a single transaction Accordingly, only the company's cash investment in any residual value is recognised in the balance sheet

Where, however, the transaction is negotiated such that the group is exposed to the credit risk on the underlying lease with the customer, the head lease or head HP facilities and sublease are accounted for as separate transactions Accordingly, where the head lease or similar contract is a HP contract, the capital element of future financing obligations is recorded as a liability, while the interest element is charged to the profit and loss account over the period of the HP agreement so as to produce a constant rate of charge on the capital outstanding

The accounting treatment of the related sublease will depend on the nature of the sublease Where the underlying lease is a finance lease, it will be recorded as a finance lease receivable and the interest from the finance lease will be recognised in income over the lease term on a basis that gives a constant rate of periodic rate of return on the outstanding investment

Where the underlying lease with the customer is an operating lease, the related asset will be capitalised as a fixed asset and depreciated over the shorter of the lease term and its useful life, and rental income from operating leases will be recognised on a straight-line basis over the lease term.

1.6 Investment in residual values

Residual values in relation to HP funded assets are netted off the head lease liability However in these circumstances to improve clarity of the financial statements, investment in residual values and head lease liabilities are presented gross

Investments in residual values are valued at cost less provision for impairment where appropriate

Impairment reviews are carried out annually by the directors and assets impaired when indicators show this is appropriate

Investments in residual values are accounted for upfront at the inception of a primary lease agreement, and held at cost on the balance sheet throughout the duration of the primary lease, less any provision for impairment where circumstances indicate that the carrying amount may not be recoverable

1. **ACCOUNTING POLICIES (continued)**

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are shown at original historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and any costs attributable to bringing the asset to working condition for its intended use. Assets are depreciated from the date they are brought into use

Impairment
Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable When a review for impairment is conducted, the recoverable amount is the higher of fair value less costs to sell and value in use Value in use is determined by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value, if higher. If an asset is impaired, a provision is made to reduce the carrying amount to its estimated recoverable amount An impairment loss is recognised immediately as an expense

Assets under leasing arrangements
Assets held for leasing that are financed under hire purchase or sale of receivables contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and depreciated over the shorter of the lease term (which typically range between 3 to 7 years) and the economic useful life of the assets Depreciation on these assets is provided under the annuity method In all cases assets are depreciated down to their estimated residual value

Own use assets
Depreciation is provided at rates calculated to write off the full cost of each asset less any residual value on a straight-line basis over its expected economic useful life as shown below

Profits or losses on the disposal of both leased and own use fixed assets are included in the calculation of operating profit.

Operating Leases
Rentals in respect of operating leases where Asset Advantage Group Limited are the lessee are charged to the profit and loss account on a straight-line basis over the lease term even if payments are not made on such a basis

Leasehold Improvements	-	Life of lease
Vehicles	-	3 years
Fixtures & fittings	-	5 years
Computer equipment	-	2 years

1 8 Stocks

Stock held for resale is stated at the lower of cost (being the residual value of the asset) and net realisable value and comprises those assets formerly leased to customers under long term arrangements for which those arrangements have since ended Cost is determined on an individual asset basis being the residual value of the asset Net realisable value is based on the estimated selling prices less all relevant marketing, selling and distribution costs. Stock is net of provisions for slow moving, obsolete and defective stock

Stock comprises only goods held for resale. There are no amounts held in respect of raw materials or work in progress.

1 ACCOUNTING POLICIES (continued)

1 9 Foreign currencies

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

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

Exchange gains and losses are recognised in the Profit and loss account.

1.10 Turnover

Turnover comprises lease income, provision of related fee-based services and end of lease income, all stated net of VAT

Lease Income
Finance lease income recognised in the year includes both the capital repayment and interest calculated on an actuarial basis under the term of the finance lease arrangement with the customer Amounts are recognised on a monthly basis

Operating lease income recognised in the year is the contracted rental amount under the operating lease arrangement with the customer Amounts are recognised on a monthly basis

Loan Income
Loan revenue recognised in the year is the net interest received on customer repayments

Fee Income
Lease arrangement fees are recognised in full on inception of the related lease. All other lease related fee income is recognised in full in the month in which it arises.

End of Lease Income
At the end of the lease arrangement with the customer the company sells the underlying assets to a third party on a mutually agreed date Sale proceeds are recognised on the agreed date.

Any secondary income received in relation to leases is recognised in full in the month in which it falls due

1.11 Dividends

The company distributes dividends to its shareholders as and when it is deemed appropriate

1. ACCOUNTING POLICIES (continued)

1.12 Taxation

Current taxation is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not yet reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing difference are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date and is not discounted

A net 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

1.13 Pensions

The group does not operate a defined benefit pension scheme Contributions to defined contribution schemes are expensed to the profit and loss account as they arise As at 30 September 2014 the company had no outstanding liability (2013 £ nil)

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2014	2013
	£	£
Lease income	25,592,324	27,199,727
Loan Income	123,274	-
Fee income	300,450	320,613
End of Lease Income	6,552,047	9,024,088
	32,568,095	36,544,428

All turnover arose within the United Kingdom from a single business segment

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014	2013
	£	£
Bank interest receivable	1,521	19,445

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
On bank loans and overdrafts	52,360	252,918
On other lease financing arrangements	2,002,250	1,421,702
On hire purchase and sale of receivables contracts	376,133	1,840,393
	2,430,743	3,515,013

5. OPERATING PROFIT

The operating profit is stated after charging

	2014 £	2013 £
Depreciation of tangible fixed assets	-	-
- assets leased under HP or Sale of receivables contracts	2,636,209	4,481,284
- own use assets	55,182	76,966
Depreciation - leasehold property	24,866	6,454
Auditor's remuneration - fee payable to the company's auditors for the audit of the financial statements of the company and its subsidiaries	155,000	45,000
Auditor's remuneration - tax fees	175,000	217,125
Goodwill amortisation	-	10,040
Impairment of subsidiary investment	-	218,044

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	837,466	2,203,202
Adjustments to tax charge in respect of prior periods	-	395,084
Total current tax	837,466	2,598,286
Deferred tax		
Origination and reversal of timing differences	301,573	-
Adjustment in respect of previous period	47,851	(756,337)
(Reduction)/increase in deferred tax asset not recognised	-	(702,124)
Total deferred tax (see note 18)	349,424	(1,458,461)
Tax on profit on ordinary activities	1,186,890	1,139,825

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 22 0% (2013 - 23 5%) The differences are explained below.

	2014 £	2013 £
Profit on ordinary activities before tax	3,223,193	3,588,709
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22 0% (2013 - 23.5%)	709,102	843,347
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	81,917	352,447
Accelerated (Capital Allowances)/Depreciation	12,192	869,537
Adjustments to tax charge in respect of prior periods	-	395,084
Other timing differences leading to an increase (decrease) in taxation	65,872	137,871
Adjustment in respect of prior years	(31,617)	-
Current tax charge for the year (see note above)	837,466	2,598,286

Factors that may affect future tax charges

The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013 These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

7. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2014 £	2013 £
Wages and salaries	1,534,522	1,143,412
Social security costs	195,743	156,799
Other pension costs	4,198	4,024
	1,734,463	1,304,235

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

	2014 No.	2013 No.
Operations	4	4
Administration	21	17
	25	21

8. DIRECTORS' REMUNERATION

	2014 £	2013 £
Aggregate emoluments	443,255	341,730

The highest paid director received remuneration of £238,331 (2013 - £196,730).
No retirement benefits are accruing to any director (2013 £nil)

9. DIVIDENDS

	2014 £	2013 £
Ordinary 'A'		
Interim Dividends paid, £0 15 per share (2013 £0 30 per share)	22,500	15,000
Final Dividend approved, £0.15 per share (2013 £0 20 per share)	7,500	10,000
	30,000	25,000
Ordinary 'B'		
Interim Dividends paid, £0 50 per share (2013 £1 00 per share)	75,000	50,000
Final Dividend approved, £0 50 per share (2013 £2 00 per share)	25,000	100,000
	100,000	150,000
Bonus Issue 'A'		
Interim Dividends paid, £0.15 per share (2013 £0 30 per share)	202,500	135,000
Final Dividend approved, £0 15 per share (2013 £0.20 per share)	67,500	90,000
	270,000	225,000
	400,000	400,000

Interim dividends of £100,000 each were paid on 06 January 2014, 07 April 2014 and 08 July 2014

The final dividend of £100,000 (2013 £200,000) was approved by written resolution and was paid on 07 October 2014

10. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2013	1,619,366
Additions	73
Disposals	(1,401,255)
At 30 September 2014	218,184
Impairment	
At 1 October 2013 and 30 September 2014	218,044
Net book value	
At 30 September 2014	140
At 30 September 2013	1,401,322

Details of subsidiary companies can be found in note number 11

11. PRINCIPAL SUBSIDIARIES

The group owns and controls 100% of the voting share capital of all its subsidiaries except Advantage Risk Solutions Holdings Limited of which it owns 70%.

Company name	Country	Percentage Shareholding	Description
AARV Limited	England	100	Leasing & trading of equipment
Asset Co Rentals No2 Ltd	England	100	Leasing & trading of equipment
RV Investor No 1 Ltd	England	100	Leasing & trading of equipment
Asset Advantage Limited	England	100	Leasing & trading of equipment
Advantage Risk Solutions Holdings Limited	England	70	Holding Company
AAG Holdings (UK) Limited	England	100	Dormant
AAL Holdings (UK) Limited	England	100	Dormant
AAG Operations Limited	England	100	Dormant
Assetco Equipment Finance Limited	England	100	Dissolved October 2014

The directors believe that the remaining carrying value of the investments are supported by their underlying net assets

The principal activity of the main trading subsidiaries is that of a lessor and asset financier and trading of related equipment

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

12. TANGIBLE FIXED ASSETS

Group	Leased Assets Computer equipment £	Leased Assets Other fixed assets £	Leased Assets Plant & machinery £	Leased Assets Vehicles £
Cost				
At 1 October 2013	452,249	1,092,973	6,729,132	14,957,568
Additions	-	-	-	-
Disposals	(106,137)	(117,000)	(297,119)	(5,723,514)
Transfer between classes	(346,112)	380,367	921,313	(955,568)
At 30 September 2014	-	1,356,340	7,353,326	8,278,486
Accumulated Depreciation				
At 1 October 2013	411,366	593,385	3,456,898	10,013,258
Charge for the financial year	1,250	172,438	857,963	1,604,558
On disposals	(98,325)	(117,000)	(285,998)	(4,729,818)
Transfer between classes	(314,291)	388,438	412,068	(486,215)
At 30 September 2014	-	1,037,261	4,440,931	6,401,783
Net book value				
At 30 September 2014	-	319,079	2,912,395	1,876,703
At 30 September 2013	40,883	499,588	3,272,234	4,944,310

Group	Own Use Leasehold Improve ments £	Own Use Fixtures & fittings £	Own Use Computer equipment £	Own Use Vehicles £
Cost				
At 1 October 2013	106,040	58,569	269,435	22,250
Additions	-	3,940	42,479	-
Disposals	-	-	-	(21,450)
Transfer between classes	-	-	-	-
At 30 September 2014	106,040	62,509	311,914	800
Accumulated Depreciation				
At 1 October 2013	25,967	3,905	234,785	13,313
Charge for the financial year	24,866	12,791	41,938	452
On disposals	-	-	-	(12,965)
Transfer between classes	-	-	-	-
At 30 September 2014	50,833	16,696	276,723	800
Net book value				
At 30 September 2014	55,207	45,813	35,191	-
At 30 September 2013	80,073	54,664	34,650	8,937

12. TANGIBLE FIXED ASSETS (continued)

Group	Total £
Cost	
At 1 October 2013	23,688,216
Additions	46,419
Disposals	(6,265,220)
Transfer between classes	-
At 30 September 2014	17,469,415
Accumulated Depreciation	
At 1 October 2013	14,752,877
Charge for the financial year	2,716,256
On disposals	(5,244,106)
Transfer between classes	-
At 30 September 2014	12,225,027
Net book value	
At 30 September 2014	5,244,388
At 30 September 2013	8,935,339

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2014 £	2013 £
Plant and machinery	2,912,395	3,272,234
Motor vehicles	1,876,703	4,944,310
Furniture, fittings and equipment	-	40,883
Other fixed assets	319,079	499,588
	5,108,177	8,757,015

12. TANGIBLE FIXED ASSETS (continued)

Company	Leased Assets Computer equipment £	Leased Assets Other fixed assets £	Leased Assets Plant & machinery £	Leased Assets Vehicles £
Cost				
At 1 October 2013	18,155	1,026,977	3,146,423	1,723,354
Additions	-	-	-	-
Transfers intra group	-	-	-	53,616
Disposals	(24,977)	(117,000)	(133,905)	(584,889)
Transfer between classes	6,822	380,367	751,275	(1,138,464)
At 30 September 2014	-	1,290,344	3,763,793	53,617
Accumulated Depreciation				
At 1 October 2013	13,855	575,128	1,066,783	1,015,303
Charge for the financial year	1,250	165,223	389,691	145,746
Transfers intra group	-	-	-	26,329
On disposals	(24,587)	(117,000)	(132,236)	(456,787)
Transfer between classes	9,482	388,438	299,318	(697,238)
At 30 September 2014	-	1,011,789	1,623,556	33,353
Net book value				
At 30 September 2014	-	278,555	2,140,237	20,264
At 30 September 2013	4,300	451,849	2,079,640	708,051

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

12. TANGIBLE FIXED ASSETS (continued)

Company	Own Use Leasehold Improvements £	Own Use Fixtures & fittings £	Own Use Computer equipment £	Own Use Vehicles £	Total £
Cost					
At 1 October 2013	106,040	58,569	269,435	22,250	6,371,203
Additions	-	3,940	42,479	-	46,419
Transfers intra group	-	-	-	-	53,616
Disposals	-	-	-	(21,450)	(882,221)
Transfer between classes	-	-	-	-	-
At 30 September 2014	106,040	62,509	311,914	800	5,589,017
Accumulated Depreciation					
At 1 October 2013	25,967	3,905	234,785	13,313	2,949,039
Charge for the financial year	24,866	12,791	41,938	452	781,957
Transfers intra group	-	-	-	-	26,329
On disposals	-	-	-	(12,965)	(743,575)
Transfer between classes	-	-	-	-	-
At 30 September 2014	50,833	16,696	276,723	800	3,013,750
Net book value					
At 30 September 2014	55,207	45,813	35,191	-	2,575,267
At 30 September 2013	80,073	54,664	34,650	8,937	3,422,164

The net book value of assets held under hire purchase or sale of receivables contracts, included above, are as follows

Company	2014 £	2013 £
Plant and machinery	2,140,237	2,079,640
Motor vehicles	20,264	708,051
Furniture, fittings and equipment	-	4,300
Other fixed assets	278,555	451,849
	2,439,056	3,243,840

13. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Finished goods and goods for resale	673,050	1,045,875	120,307	318,235

14. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due after more than one year				
Customer Loans	2,847,273	-	-	-
Finance lease receivables	30,471,870	21,354,023	-	-
	33,319,143	21,354,023	-	-

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due within one year				
Trade debtors	807,442	233,819	9,910	26,090
Amounts owed by group undertakings	-	-	8,020,007	8,378,089
Other Debtors	-	108	-	108
VAT Recoverable	68,435	-	-	-
Corporation Tax Recoverable	93,901	-	68,435	-
Customer Loans	811,512	-	-	-
Finance lease receivables	17,244,757	13,395,416	2,782	2,782
Deferred tax asset (see note 18)	1,109,037	1,458,461	597,231	950,069
Prepayments and accrued income	445,145	363,985	189,657	79,039
	20,580,229	15,451,789	8,888,022	9,436,177

Amounts owed by group undertakings are repayable as and when the undertakings are able to do so and are non interest bearing

15. INVESTMENTS IN RESIDUAL VALUES

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Maturing in 1 year or less	791,780	1,124,358	33,641	219,044
Maturing in greater than 1 year	621,513	1,689,985	263,459	442,372
	1,413,293	2,814,343	297,100	661,416

16. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	356,579	1,328,489	356,579	684,502
Amounts due under lease financing arrangements (secured note 17)	16,320,867	10,769,058	-	-
Net obligations under hire purchase and sale of receivable contracts (secured note 17)	1,862,599	3,895,609	530,566	927,145
Trade creditors	1,538,771	689,440	356,296	438,801
Amounts owed to group undertakings	-	-	227,279	1,790,931
Corporation tax	2,603,167	2,107,436	391,822	542,055
Other taxation and social security	83,226	173,689	83,226	173,689
Proposed dividend	100,000	200,000	100,000	200,000
Other creditors	1,194,847	1,574,762	245,660	817,738
Accruals and deferred income	1,680,774	1,713,462	824,899	663,381
	25,740,830	22,451,945	3,116,327	6,238,242

Amounts owed to group undertakings are repayable as and when the company is able to do so and are non interest bearing

17. CREDITORS:
Amounts falling due after more than one year

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Bank loans	**-**	356,579	**-**	356,579
Amounts due under lease financing arrangements (secured see below)	**24,930,295**	15,065,157	**-**	-
Net obligations under hire purchase and sale of receivable contracts (secured see below)	**2,617,998**	4,399,481	**1,869,292**	2,302,014
	27,548,293	19,821,217	**1,869,292**	2,658,593

Included within the above are amounts falling due as follows

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Between one and two years				
Bank loans	**-**	356,579	**-**	356,579
Amounts due under lease financing arrangements	**11,256,837**	8,165,484	**-**	-
Between two and five years				
Amounts due under lease financing arrangements	**13,673,458**	6,899,673	**-**	-

Creditors relating to head funded operating leases include amounts not wholly repayable within 5 years as follows

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Repayable by instalments	**361,173**	614,902	**361,173**	606,562

17. CREDITORS:
Amounts falling due after more than one year (continued)

Net obligations under hire purchase and sale of receivable contracts, included above, are payable as follows

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Between one and five years	**2,256,825**	3,784,579	**1,508,119**	1,695,452
After five years	**361,173**	614,902	**361,173**	606,562
	2,617,998	4,399,481	**1,869,292**	2,302,014

The group has given the following securities in relation to the above obligations

Amounts owed to financial institutions under hire purchase contracts and sale of receivable contracts as set out above, are secured against the related assets They are limited recourse and the company carries no credit risk

Bank loans payable are repayable quarterly with a fixed interest rate of 5 50%.

In respect of amounts due under lease financing arrangements, security has been provided to various financial institutions under block discounting facilities in the form of assignment of lease receivables under the underlying finance leases Group interest rates range between 5 85% and 8 19%, the weighted average at 30 September 2014 being 6 39% (2013 6 42%)

18. DEFERRED TAX

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
At beginning of year	**1,458,461**	1,461,294	**950,069**	950,069
(Charge for)/released during the year (P&L)	**(301,571)**	(2,833)	**(352,837)**	-
Other movement (P&L)	**(47,853)**	-	**(1)**	-
At end of year	**1,109,037**	1,458,461	**597,231**	950,069

The deferred tax asset is made up as follows

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Accelerated capital allowances	**787,130**	1,181,529	**348,518**	701,356
Tax losses carried forward	**144,142**	144,142	**144,142**	144,142
Short term timing differences	**177,765**	132,790	**104,571**	104,571
	1,109,037	1,458,461	**597,231**	950,069

18. DEFERRED TAX (continued)

A deferred tax asset has been recognised in the current financial year on the basis that it is considered more likely than not that there will be sufficient profits from which the future reversal of the underlying timing differences can be deducted The deferred tax asset recognised in 2013 was £1,458,461.

19. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
50,000 Ordinary 'A' shares of £1 each (2013 50,000 shares)	50,000	50,000
50,000 Ordinary 'B' shares of £1 each (2013 50,000 shares)	50,000	50,000
450,000 Bonus Issue 'A' shares of £1 each (2013 450,000)	450,000	450,000
	550,000	550,000

20. RESERVES

Group	Profit and loss account £
At 1 October 2013	11,613,408
Profit for the financial year	2,036,303
Dividends paid Equity capital	(400,000)
At 30 September 2014	13,249,711

Company	Profit and loss account £
At 1 October 2013	8,251,708
Loss for the financial year	(322,050)
Dividends received Equity capital	439,168
At 30 September 2014	8,368,826

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2014 £	2013 £
Opening shareholders' funds	12,163,408	10,554,524
Profit for the financial year	2,036,303	2,448,884
Dividends paid	(400,000)	(400,000)
Preference Shares Redeemed during the year	-	(440,000)
Closing shareholders' funds	13,799,711	12,163,408

Company	2014 £	2013 £
Opening shareholders' funds	8,801,708	7,132,250
(Loss)/profit for the financial year	(322,050)	1,309,458
Dividends received (Note 9)	439,168	800,000
Preference shares redeemed during the year	-	(440,000)
Closing shareholders' funds	8,918,826	8,801,708

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

The (loss)/profit for the year dealt with in the accounts of the company was £(322,050) (2013 -1,309,458).

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	5,652,415	7,084,277
Depreciation of tangible fixed assets	2,716,256	4,564,733
Decrease/(increase) in stocks	372,825	(1,045,875)
Increase in debtors	(17,349,085)	(8,802,803)
Increase/(decrease) in creditors	346,265	(2,977,241)
Net cash outflow from operating activities	(8,261,324)	(1,176,909)

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	1,521	19,445
Interest paid	(2,054,610)	(1,674,620)
Hire purchase interest	(376,133)	(1,840,393)
Dividends paid to minority interests	(95)	-
Net cash outflow from returns on investments and servicing of finance	(2,429,317)	(3,495,568)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(46,419)	(412,494)
Sale of tangible fixed assets	1,021,114	3,270,413
Movement in residual values	1,401,050	3,363,822
Net cash inflow from capital expenditure	2,375,745	6,221,741

	2014 £	2013 £
Financing		
Redemption of Preference Shares	-	(440,000)
Repayment of bank loans	(1,328,488)	(2,515,892)
Repayment of other lease financing arrangements	15,416,947	7,805,637
Repayment of hire purchase and sale of receivable contracts	(3,814,492)	(6,385,912)
Net cash inflow/(outflow) from financing	10,273,967	(1,536,167)

24. ANALYSIS AND RECONCILIATION OF NET DEBT

	1 October 2013 £	Cash flow £	Other non-cash changes £	30 September 2014 £
Cash at bank and in hand	4,835,326	1,023,435	-	5,858,761
Debt:				
Debts due within one year	(15,993,155)	(2,546,890)	-	(18,540,045)
Debts falling due after more than one year	(19,821,216)	(7,727,077)	-	(27,548,293)
Net debt	(30,979,045)	(9,250,532)	-	(40,229,577)

25. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Capital commitments

Other than in the normal course of business, the group has not entered into any capital commitments at 30 September 2014 (2013 £nil)

The Group has annual lease commitments of £67,280 - the lease expiring in 2-5 years

26. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 3(c) of FRS8 "Related Party Disclosures" not to disclose intra group transactions with wholly owned subsidiaries as these are eliminated on consolidation There were no other related party transactions in the year

27. CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Asset Advantage Group Limited, a company incorporated in England The consolidated financial statements of Asset Advantage Group Limited are available from 3rd Floor, Matrix House, Basing View Basingstoke, Hampshire, RG21 4DZ, United Kingdom.

The controlling party of Asset Advantage Group Limited is Jonathan Eddy who is also a director of Asset Advantage Group Limited.