

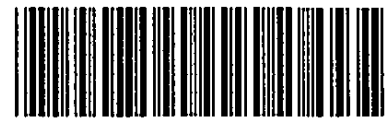
AA RV LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

WEDNESDAY



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COMPANIES HOUSE

AA RV LIMITED

COMPANY INFORMATION

DIRECTORS

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

REGISTERED NUMBER

07383482

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

AA RV LIMITED

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AA RV LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and the financial statements for the year ended 30 September 2014

PRINCIPAL ACTIVITIES

The company is a special purpose vehicle which holds residual investments as part of a loan arrangement. The principal activity of the company continues to be that of a lessor and asset financier and manager.

The directors of the company's ultimate parent undertaking, Asset Advantage Group Limited, have confirmed their intention to provide such financial support to the company as is necessary to enable it to continue to meet its liabilities as they fall due for the foreseeable future.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £606,651 (2013: loss £127,063).

The directors do not recommend the payment of a dividend (2013: £nil).

DIRECTORS

The directors who served during the year were:

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

PRINCIPAL RISKS AND UNCERTAINTIES

Downturn in Residual Values

A downturn in residual values is perceived as a negligible risk as the company 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. This risk is expected to reduce over time as the operating lease portfolio declines and becomes a smaller part of the business.

FUTURE DEVELOPMENTS

The directors anticipate the continued rundown of the public sector portfolio over the next few years but the company's portfolio remaining profitable.

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



J C G Eddy
Director

AA RV LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	2	3,361,403	4,640,390
Cost of sales		<u>(2,557,633)</u>	<u>(4,080,756)</u>
OPERATING PROFIT	3	803,770	559,634
Interest payable and similar charges	4	<u>(114,259)</u>	<u>(317,971)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		689,511	241,663
Tax on profit on ordinary activities	5	<u>(82,860)</u>	<u>(368,726)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	14	<u><u>606,651</u></u>	<u><u>(127,063)</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for the years ending 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 retained profit/(loss) for the financial year stated above and their historical cost equivalents

The notes on pages 4 to 12 form part of these financial statements

AA RV LIMITED
REGISTERED NUMBER: 07383482

BALANCE SHEET
AS AT 30 SEPTEMBER 2014

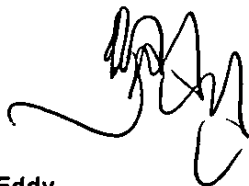
	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	7		2,365,021		4,746,906
CURRENT ASSETS					
Stocks		374,948		366,687	
Debtors amounts falling due within one year	8	245,983		119,469	
Investment in Residual Values	9	1,120,686		2,125,570	
		<u>1,741,617</u>		<u>2,611,726</u>	
CREDITORS: amounts falling due within one year	10	<u>(2,940,452)</u>		<u>(5,559,979)</u>	
NET CURRENT LIABILITIES			<u>(1,198,835)</u>		<u>(2,948,253)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,166,186</u>		<u>1,798,653</u>
CREDITORS: amounts falling due after more than one year	11		<u>(683,638)</u>		<u>(1,810,727)</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	12		-		(112,029)
NET ASSETS/(LIABILITIES)			<u><u>482,548</u></u>		<u><u>(124,103)</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		1		1
Profit and loss account	14		<u>482,547</u>		<u>(124,104)</u>
TOTAL SHAREHOLDERS' FUNDS	15		<u><u>482,548</u></u>		<u><u>(124,103)</u></u>

For the financial year ending 30 September 2014 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements

The financial statements on pages 2 to 12 were approved by the Board of Directors on 30 June 2015 and were signed on its behalf by



J C G Eddy
Director

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are 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

The directors of the company's ultimate parent undertaking, Asset Advantage Group Limited, have confirmed their intention to provide such financial support to the company as is necessary to enable it to continue to meet its liabilities as they fall due for the foreseeable future

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare financial statements as its parent undertaking, Asset Advantage Group Limited, is a UK company which prepares consolidated financial statements which include AARV Limited

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

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Leases

As part of its asset management activities, the group enters into leases that are funded through related head leases or head hire purchase (HP) facilities with financial institutions. Under the terms of the head leases, the group 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 agreement.

Where the group simultaneously enters into a head lease and sublease under terms that limit the funder's recourse to the group 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 in a single transaction. Accordingly only the group's cash investment in any residual value is recognised in the balance sheet.

Where, however, the transaction is negotiated in such a way that the group is exposed to the credit risk on the underlying lease with the customer, the head lease or head HP facilities and subleases are accounted for as separate transactions. Accordingly, where the head lease or similar contract is an 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.

Where the underlying lease with the customer is an operating lease, the related assets 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.

Where the company bears the cost of maintenance and disposal, then the related income is matched on a consistent basis.

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

1. ACCOUNTING POLICIES (continued)

1.4 Tangible fixed assets and depreciation

The company does not utilise any tangible fixed assets for its own use, all assets are in respect of leases to customers

Tangible fixed assets other than freehold property 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 long term 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 terms (which typically range between 3 and 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.

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

1.5 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 are impaired when indicators show this is appropriate.

1.6 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.

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

1 ACCOUNTING POLICIES (continued)

1.7 Turnover

Turnover comprises gross rentals from the financing and sale of equipment, and the provision of related fee-based services and end of lease income, stated net of VAT

Lease Income

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

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.

1.8 Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not 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 differences are expected to reverse, based on tax rates and laws that have been enacted or substantively 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.

AA RV LIMITED

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

2. TURNOVER

An analysis of turnover by class of business is as follows

	2014 £	2013 £
Lease income	1,877,610	3,099,738
End of lease	1,483,793	1,540,652
	<u>3,361,403</u>	<u>4,640,390</u>

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

3. OPERATING PROFIT

The operating profit is stated after charging

	2014 £	2013 £
Depreciation of tangible fixed assets		
- Assets financed under hire purchase and sale of receivables contracts	1,503,555	2,792,997
	<u>1,503,555</u>	<u>2,792,997</u>

Fees payable to the company's auditors for the audit of Asset Advantage Group's financial statements and consolidated financial statements for the year ended 30 September 2014 were £155,000 (2013 £45,000)

Fees payable to the company's auditors for taxation advice for the Asset Advantage Group in the year ended 30 September 2014 were £175,000 (2013 £217,125) All audit fees were borne by Asset Advantage Group Limited and the directors do not allocate these to individual companies within the group

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
On hire purchase and sale of receivable contracts	114,259	317,971
	<u>114,259</u>	<u>317,971</u>

AA RV LIMITED

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

5. TAXATION 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	221,259	256,697
Deferred tax		
Origination and reversal of timing differences	(176,847)	-
Adjustment in respect of previous period	38,448	296,572
(Reduction)/increase in deferred tax asset not recognised	-	(184,543)
Total deferred tax (see note 12)	<u>(138,399)</u>	<u>112,029</u>
Tax on profit on ordinary activities	<u>82,860</u>	<u>368,726</u>

Factors affecting tax charge for the year

The tax assessed for the year is ***select*** (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 taxation	<u>689,511</u>	<u>241,663</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22 0% (2013 - 23 5%)	151,692	56,791
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,249	9,880
Accelerated (Capital Allowances)/Depreciation	3,844	174,898
Other timing differences leading to an increase (decrease) in taxation	56,474	15,128
Current tax charge for the year	<u>221,259</u>	<u>256,697</u>

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.

6. STAFF COSTS AND DIRECTORS REMUNERATION

The company had no employees other than the directors in the year ended 30 September 2014, and they did not receive any remuneration from the company (2013 - £NIL) in respect of their services to it. The aggregate directors' emoluments were £443,255 (2013 £341,730) of which the highest paid director received £238,331 (2013 £196,730) and were borne by Asset Advantage Group Limited.

AA RV LIMITED

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

7 TANGIBLE FIXED ASSETS

	Computer equipment £	Plant & machinery £	Vehicles £	Total £
Cost				
At 1 October 2013	352,934	2,003,132	12,673,099	15,029,165
Disposals	-	(163,214)	(5,108,840)	(5,272,054)
Transfer between classes	(352,934)	170,038	182,896	-
At 30 September 2014	-	2,009,956	7,747,155	9,757,111
Accumulated Depreciation				
At 1 October 2013	323,773	1,238,886	8,719,600	10,282,259
Charge for the year	-	252,131	1,251,424	1,503,555
On disposals	-	(153,762)	(4,239,962)	(4,393,724)
Transfer between classes	(323,773)	112,751	211,022	-
At 30 September 2014	-	1,450,006	5,942,084	7,392,090
Net book value				
At 30 September 2014	-	559,950	1,805,071	2,365,021
At 30 September 2013	29,161	764,246	3,953,499	4,746,906

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

	2014 £	2013 £
Computer Equipment	-	29,161
Plant & Machinery	559,950	764,246
Vehicles	1,805,071	3,953,499
	<u>2,365,021</u>	<u>4,746,906</u>

8. DEBTORS

	2014 £	2013 £
Trade debtors	47,397	61,488
Amounts owed by group undertakings	172,216	57,981
Deferred tax asset (see note 12)	26,370	-
	<u>245,983</u>	<u>119,469</u>

AA RV LIMITED

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

9. INVESTMENT IN RESIDUAL VALUES

	2014 £	2013 £
Maturing in less than one year	762,632	882,090
Maturing in more than one year	358,054	1,243,480
	<u>1,120,686</u>	<u>2,125,570</u>

10. CREDITORS

Amounts falling due within one year

	2014 £	2013 £
Net obligations under hire purchase and sale of receivables contracts	1,110,361	2,458,747
Trade creditors	40,378	20,870
Amounts owed to group undertakings	750,979	1,964,039
Corporation tax	477,956	256,697
Other creditors	22,672	20,092
Accruals and deferred income	538,106	839,534
	<u>2,940,452</u>	<u>5,559,979</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

11. CREDITORS:

Amounts falling due after more than one year

	2014 £	2013 £
Net obligations under hire purchase and sale of receivables contracts	683,638	1,810,727

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2014 £	2013 £
Between one and five years	683,638	1,810,727

12. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	(112,029)	(112,029)
Released during year (P&L)	176,847	-
Other movement (P&L)	(38,448)	-
	<u>26,370</u>	<u>(112,029)</u>

AA RV LIMITED

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

12. DEFERRED TAXATION (continued)

The deferred taxation balance is made up as follows

	2014 £	2013 £
Accelerated capital allowances	46,826	(133,886)
Short term timing differences	(73,196)	21,857
	<u>(26,370)</u>	<u>(112,029)</u>

13 CALLED UP SHARE CAPITAL

	2014 £	2013 £
Authorised		
1,000 (2013 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 (2013 1) ordinary share of £1	<u>1</u>	<u>1</u>

14. PROFIT AND LOSS ACCOUNT

	Profit and loss account £
At 1 October 2013	(124,104)
Profit for the year	<u>606,651</u>
At 30 September 2014	<u>482,547</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' (deficit)/funds	(124,103)	2,960
Profit/(loss) for the financial year	<u>606,651</u>	<u>(127,063)</u>
Closing shareholders' funds/(deficit)	<u>482,548</u>	<u>(124,103)</u>

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided by paragraph 3 of FRS 8 "Related Party Disclosures" on the grounds that it is a wholly owned subsidiary of a group headed by Asset Advantage Group Limited whose financial statements are publicly available

AA RV LIMITED

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

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking and controlling party is Asset Advantage Group Limited, a company incorporated in England and Wales

Asset Advantage Group Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 September 2013. The consolidated financial statements of Asset Advantage Group Limited are available from 3rd Floor, Matrix House, Basing View Basingstoke, Hampshire, RG21 4DZ, United Kingdom