

Aston Rothbury Factors Limited

FINANCIAL STATEMENTS

for the year ended

30 September 2007

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COMPANIES HOUSE

Company Registration No 2185883

Aston Rothbury Factors Limited

DIRECTORS AND OFFICERS

DIRECTORS

D Maddison
N Sellars
T Dean
B Nalborough

SECRETARY

T Dean

COMPANY NUMBER

2185883 (England and Wales)

REGISTERED OFFICE

Second Floor, Romy House
159-167 Kings Road
Brentwood, Essex
CM14 4EG

AUDITORS

Baker Tilly UK Audit LLP
Exchange House
446 Midsummer Boulevard
Central Milton Keynes
MK9 2EA

BANKERS

HSBC
90 Baker Street
London
W1U 6XA

Aston Rothbury Factors Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Aston Rothbury Factors Limited for the year ended 30 September 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of factoring

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The year to 30 September 2007 was the first period under the management of a newly constructed Board of Directors (appointed December 2006). After a period of reflection and maintenance of stability, much of the year was spent putting in place plans to face the following 5 years. The Board would like to recognise the knowledge and loyalty of its staff and the quality of its customers, which both form a solid foundation for growth and profitability in the forthcoming years.

On a like for like basis (the previous accounting year being an 18 month period) turnover, income and numbers of customers grew by as much as 20% over the preceding period. A pre tax loss of some £2,047 was recorded, which was in line with forecast, and takes account of a duplication of management costs for some 4 months of the year, and a large increase in investment in marketing, training and new software systems. The Board anticipates reaping the benefit of these additional investments over the course of the next few years, and has made a commitment to maintain higher levels of investment in staff development and marketing.

The company aims to enhance its brand and the number and quality of its services to its customers. Its record of maintaining customer relationships for many years above the industry average is recognised and its investment into customer service will increase as other financial institutions concentrate on volume rather than quality.

With a high staff to customer ratio, the company continues to make significant headway with smaller SME's. Therefore, the portfolio is more profitable and diverse moving forward, and means that we do not need to compromise on our strict underwriting procedure in order to achieve greater profitability. Because of our attention to customer service our client retention, which remains much higher than industry averages, means the company is not continually searching for business, simply to stand still.

FUTURE DEVELOPMENTS

The company's targeted approach to business and networking means that prospects for future growth remain positive. We are confident that we have a focused marketing strategy that will assist growth. We shall continue our focus in providing Invoice Finance facilities to small and medium sized companies and we aim to step up our profile and systems to enable this to happen. We will promote our sales ledger management and outsourced credit control services, which will improve our return on capital.

The company will continue to invest in its staff with the aim of providing the best possible ledger management and collection service to our customers.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £72,155.

The directors do not recommend payment of a dividend.

Aston Rothbury Factors Limited

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The following directors have held office since 1 October 2006

D Maddison	(Appointed 19 December 2006)
N Sellars	
T Dean	(Appointed 19 December 2006)
I Clark	(Resigned 19 December 2006)
B Nalborough	

CHARITABLE DONATIONS	2007	2006
	£	£

During the year the company made the following payments

Charitable donations	1,055	500
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AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants will be put to the members at the annual general meeting

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board

N Sellars
Director



28 July 2008

Aston Rothbury Factors Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Practice. Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTON ROTHBURY FACTORS LIMITED

We have audited the financial statements on pages 7 to 16

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However with respect to intra group debt amounting to £44,143 included in the financial statements the information available to us was limited and we were unable to obtain sufficient appropriate audit evidence regarding recoverability and value. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASTON ROTHBURY FACTORS LIMITED (CONTINUED)

Qualified opinion arising from limitation of scope

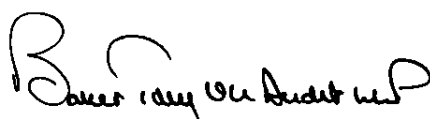
Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as the recoverability and the value of the intra group debts, in our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 September 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985

In respect solely of the limitation on our work relating to the intra group debt

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit,
- we were unable to determine whether proper accounting records had been maintained

In our opinion the information given in the Directors' Report is consistent with the financial statements



BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

Exchange House

446 Midsummer Boulevard

Central Milton Keynes

MK9 2EA

26 August 2008

Aston Rothbury Factors Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2007

		Year ended 30 September 2007 £	18 Months ended 30 September 2006 £
	<i>Notes</i>		
TURNOVER	1	1,841,512	2,692,514
Cost of sales		505,762	699,911
Gross profit		1,335,750	1,992,603
Other operating expenses	2	1,348,186	1,830,892
OPERATING (LOSS)/PROFIT		(12,436)	161,711
Investment income	3	15,166	264
		2,730	161,975
Interest payable	4	4,777	5,385
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(2,047)	156,590
Taxation	7	(74,202)	47,407
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		72,155	109,183

The operating (loss)/profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Aston Rothbury Factors Limited

BALANCE SHEET

30 September 2007

	Notes	2007 £	2006 As restated £
FIXED ASSETS			
Tangible assets	9	84,961	73,308
CURRENT ASSETS			
Debtors	10	10,471,599	9,021,391
Cash at bank and in hand		95,872	106,623
		10,567,471	9,128,014
CREDITORS Amounts falling due within one year	11	9,368,943	7,989,988
NET CURRENT ASSETS		1,198,528	1,138,026
TOTAL ASSETS LESS CURRENT LIABILITIES		1,283,489	1,211,334
CAPITAL AND RESERVES			
Called up share capital	12	750,000	750,000
Profit and loss account	13	533,489	461,334
SHAREHOLDERS' FUNDS	14	1,283,489	1,211,334

The financial statements on pages 7 to 16 were approved by the board of directors and authorised for issue on 28th July 2008 and are signed on its behalf by

Nick Sellars

Director



Aston Rothbury Factors Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention. Comparative figures have been restated to correct a prior year omission of the recording of a directors loan. Refer to note 17 for details. This adjustment had no effect on profit for either period.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Computer equipment	25% - 33% on cost
Fixtures, fittings & equipment	15% - 30% on cost
Motor vehicles	25% on cost

DEFERRED TAXATION

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 timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is measured on a non discounted basis.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

TURNOVER

Turnover represents fees being recognised as services are provided, net of Value Added Tax.

Aston Rothbury Factors Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2007

1 TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and (loss)/profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom

2	OTHER OPERATING EXPENSES	2007 £	2006 £
	Administrative expenses	1,348,186	1,830,892
3	INVESTMENT INCOME	2007 £	2006 £
	Bank interest	15,166	245
	Other interest	-	19
		15,166	264
4	INTEREST PAYABLE	2007 £	2006 £
	On bank loans and overdrafts	3,709	3,860
	Hire purchase interest	1,015	1,525
	Other interest	53	-
		4,777	5,385
5	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2007 £	2006 £
	(Loss)/Profit on ordinary activities before taxation is stated after charging/(crediting)		
	Depreciation of tangible assets		
	Charge for the year		
	owned assets	32,586	51,200
	leased assets	6,282	11,150
	Loss/(profit) on disposals	617	(5,900)
	Operating lease rentals		
	Plant and machinery	13,875	11,815
	Land and buildings	42,080	42,080
	Loss on foreign exchange transactions	13,944	42,715
	Auditors' remuneration	14,800	9,000

Aston Rothbury Factors Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2007

6 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was	2007 No	2006 No
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Management	6	6
Administration	18	17
	<u>24</u>	<u>23</u>

	£	£
Staff costs for the above persons		
Wages and salaries	742,627	992,203
Social security costs	80,227	108,282
Other pension costs	23,403	40,152
	<u>846,257</u>	<u>1,140,637</u>

DIRECTORS' REMUNERATION	2007 £	2006 £
Emoluments for qualifying services	80,416	104,520
Company pension contributions to money purchase schemes	8,827	17,147
	<u>89,243</u>	<u>121,667</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2006- 1)

Aston Rothbury Factors Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 30 September 2007

7	TAXATION	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	-	47,287
	Adjustment for prior years	(74,202)	120
		<u>(74,202)</u>	<u>47,407</u>
	Current tax charge	<u>(74,202)</u>	<u>47,407</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(2,047)	156,590
		<u>(2,047)</u>	<u>156,590</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 30.00%)	(614)	46,977
		<u>(614)</u>	<u>46,977</u>
	Effects of		
	Non deductible expenses	1,125	5,597
	Income not taxable for tax purposes	(33,135)	-
	Capital allowances in excess of depreciation	(827)	2,089
	Tax losses carried back	33,102	-
	Adjustments to previous periods	(74,202)	120
	Other tax adjustments	349	(7,376)
		<u>(73,588)</u>	<u>430</u>
	Current tax charge	<u>(74,202)</u>	<u>47,407</u>
8	DIVIDENDS	2007	2006
		£	£
	Ordinary		
	Interim paid - Nil (2006 - £0.34)	-	258,478
		<u>-</u>	<u>258,478</u>

Aston Rothbury Factors Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 30 September 2007

9 TANGIBLE FIXED ASSETS

	<i>Computer equipment</i>	<i>Fixtures, fittings & equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 October 2006	112,657	142,099	34,819	289,575
Additions	7,035	23,363	36,707	67,105
Disposals	-	-	(28,420)	(28,420)
30 September 2007	119,692	165,462	43,106	328,260
Depreciation				
1 October 2006	88,058	119,585	8,624	216,267
Charge in the year	17,299	12,000	9,569	38,868
Disposals	-	-	(11,836)	(11,836)
30 September 2007	105,357	131,585	6,357	243,299
Net book value				
30 September 2007	14,335	33,877	36,749	84,961
30 September 2006	24,599	22,514	26,195	73,308

Included above are assets held under finance leases or hire purchase contracts as follows

	<i>Computer equipment</i>	<i>Fixtures, Motor vehicles fittings & equipment</i>	<i>Total</i>
	£	£	£
Net book value			
30 September 2007	-	3,457	3,457
30 September 2006	841	4,753	26,323

10 DEBTORS

	2007	2006
	£	As restated £
Due within one year		
Trade debtors	10,274,894	8,713,930
Amounts owed by parent and fellow subsidiary undertakings	44,143	66,779
Corporation tax	32,546	-
Other debtors	31,790	170,000
Prepayments and accrued income	88,226	70,682
	10,471,599	9,021,391

Other debtors comprise loans to directors Refer to note 17 for detail

Aston Rothbury Factors Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 30 September 2007

11 CREDITORS Amounts falling due within one year	2007	2006
	£	As restated £
Other loans	4,921,655	4,163,624
Obligations under finance lease and hire purchase contracts	2,552	13,420
Current accounts	4,242,615	3,501,653
Amounts owed to group undertakings	109,267	170,000
Corporation tax	-	47,287
Other taxes and social security costs	48,878	63,987
Accruals and deferred income	43,976	30,017
	<u>9,368,943</u>	<u>7,989,988</u>

The other loans are secured by way of a floating charge on the company's business, undertaking, property and assets

	2007	2006
	£	£
Obligations under finance leases and hire purchase contracts		
Repayable within one year	<u>2,552</u>	<u>13,420</u>
12 SHARE CAPITAL	2007	2006
	£	£
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid		
750,000 Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>

13 STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account</i> £
1 October 2006	461,334
Retained profit for the year	<u>72,155</u>
30 September 2007	<u>533,489</u>

Aston Rothbury Factors Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 30 September 2007

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2007	2006
	£	£
Profit for the financial year	72,155	109,183
Dividends	-	(258,478)
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	72,155	(149,295)
Opening shareholders' funds	1,211,334	1,360,629
	<hr/>	<hr/>
Closing shareholders' funds	1,283,489	1,211,334
	<hr/>	<hr/>

15 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007	2006
	£	£
Land and buildings expiring in the second to fifth year	42,080	42,080
Plant and machinery expiring in the first year	20,220	10,575
expiring in the second to fifth year	5,042	1,240
	<hr/>	<hr/>
	67,342	53,895
	<hr/>	<hr/>

16 PENSION COMMITMENTS

DEFINED CONTRIBUTION

	2007	2006
	£	£
Contributions payable by the company for the year	23,403	40,152
	<hr/>	<hr/>

Aston Rothbury Factors Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 September 2007

17 RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH DIRECTORS

The immediate holding company is Aston Rothbury Group Plc and the ultimate holding company is regarded by the directors as being Red Star Investments Limited, incorporated in Nevis

The company was recharged expenses of £nil (2006 - £4,263) during the year by Aston Rothbury Group Plc At the year end, the company was owed by Aston Rothbury Group Plc £23,639 (2006 - £23,875)

At the year end, the company was owed £20,504 (2006 - £20,504) by Aston Rothbury & Co Limited

At the year end, the company owed £109,267 to Red Star Investments Limited (2006 - £22,400 owed by Red Star Investments Limited as previously reported) Management charges and reimbursed expenses were charged to this company during the year of £34,172 (2006 - £nil)

In the prior year comparatives, an error had been made in not accounting correctly for a loan made previously to a director A correcting entry has been made in the 2006 comparative figures which now record a loan to this director of £170,000 with a corresponding additional amount owed to Redstar Investments Limited as at 30 September 2006 These entries have had no impact on the reported result of either period This loan was repaid during the year ended 30 September 2007

During the year ended 30 September 2007 cash advances were made to current directors totalling £31,790 and these amounts have remained unpaid at the year end