

COMPANY REGISTRATION NUMBER 2603972

A & L CF SEPTEMBER (2) LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2009

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A & L CF SEPTEMBER (2) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

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A & L CF SEPTEMBER (2) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

Company registration number	2603972
The board of directors	M W Evans C R Morley
Company secretary	R A Hawker
Registered office	Building 3 Floor 2 Carlton Park Narborough Leicester LE19 0AL
Statutory auditor	Deloitte LLP Chartered Accountants & Statutory Auditors Birmingham United Kingdom
Bankers	Alliance & Leicester plc Bridle Road Bootle Merseyside L30 4GB

A & L CF SEPTEMBER (2) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

The directors present their report and the audited financial statements for A & L CF September (2) Limited company registration number 2603972 (the "Company") for the year ended 30 September 2009

RESULTS AND DIVIDENDS

The loss for the year on ordinary activities after taxation amounted to £34,519 (2008 profit £258,386) An interim dividend of £1,287 19 per share, a total payment of £128,719 (2008 £nil) was paid to shareholders on 29 September 2009

CONTROLLING PARTY AND PARENT UNDERTAKINGS

The immediate parent undertaking is Alliance & Leicester Commercial Finance plc

On the 9 January 2009 the entire share capital of Alliance & Leicester plc was transferred from Banco Santander S A to Abbey National plc On that date Abbey National plc became an intermediate parent undertaking

On 11 January 2010 Abbey National Plc changed its name to Santander UK Plc

The controlling party Banco Santander S A delegates various authorities to the intermediate parent undertakings of the Company, Santander UK plc (formerly Abbey National plc) and Alliance and Leicester plc and to the immediate parent undertaking Alliance & Leicester Commercial Finance plc These parent undertakings are collectively referred to as associated parent undertakings in this Report and in the notes to financial statements

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company is a wholly owned subsidiary of Alliance & Leicester Commercial Finance plc and operates as part of the Banco Santander S A's Corporate Banking Division within the United Kingdom Operation

On 1 October 2008 the Company's trade and assets, representing the Company's leasing business, was transferred at net book value to A & L CF December (2) Limited, a fellow group company On that day the Company ceased trading and is not expected to trade in the future IAS 1 'Presentation of Financial Statements' requires that financial statements for any Company that has ceased to trade, or substantially reduced trading, or where there is an intention for the Company to cease to trade, or substantially reduce trading in the next twelve months, are prepared on an "other than going concern" basis Accordingly the financial statements have been prepared on an "other than going concern" basis as there is the intention for trade to cease in the next twelve months Preparation of the financial statements on an "other than going concern" basis has had no material impact on the amounts reported in the financial statements

The balance sheet on page 11 shows that the net assets of the Company decreased during the year Details of amounts receivable from the Company's immediate parent undertaking at 30 September 2009 are shown in note 15 to the financial statements

A & L CF SEPTEMBER (2) LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2009

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES (continued)

The Santander UK group manages operations on a divisional basis. For this reason, the Company's directors believe that non-financial key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of Santander UK group which includes the Company, is discussed in the Group's Annual Report, which does not form part of this Report.

DIRECTORS

The following persons were directors of the Company during the year, and to the date of this report, unless stated otherwise.

M W Evans

C R Morley

C S Jones

(resigned 16 May 2009)

W H Paterson

(resigned 23 October 2009)

M C Rogers

(resigned 25 November 2008)

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest at any time during the year in any contract of significance with the Company (2008: none).

DISCLOSURE OF INDEMNITIES

The directors confirm -

Since 11 November 2008, the United Kingdom intermediate parent undertaking, Santander UK plc has provided third party indemnity provisions to the directors of the Company against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnities remain in force as at the date of this Annual Report and Financial Statements. A copy of each of the indemnities is kept at the registered office address of Santander UK plc.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors as at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted accordance with the provisions of Section 418 of the Companies Act 2006.

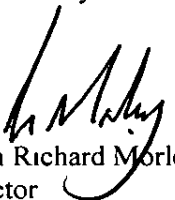
A & L CF SEPTEMBER (2) LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2009

STAUTORY AUDITORS

On 1 December 2008 the Company's auditors changed their name from Deloitte & Touche LLP to Deloitte LLP

In accordance with sections 485 and 487 of the Companies Act 2006, Deloitte LLP are deemed to have been re-appointed as auditors of the Company

Approved by the board on ²⁶ February 2010 and signed on its behalf by


Colin Richard Morley
Director

A & L CF SEPTEMBER (2) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 2006.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. Directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A & L CF SEPTEMBER (2) LIMITED

We have audited the financial statements of A & L CF September (2) Limited (the "Company"), for the year ended 30 September 2009 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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 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.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – FINANCIAL STATEMENTS PREPARED ON A BASIS OTHER THAN THAT OF A GOING CONCERN BASIS

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006


In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
A & L CF SEPTEMBER (2) LIMITED (continued)**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Matthew Perkins
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham
United Kingdom

~~February~~ 2010
3 March

A & L CF SEPTEMBER (2) LIMITED

(Company registration number 2603972)

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	2009 £	2008 £
Revenue		-	1,526,187
Cost of sales		-	(680,049)
GROSS PROFIT		-	846,138
Administrative expenses		-	(162,675)
PROFIT FROM OPERATIONS	7	-	683,463
Finance costs	8	-	(388,067)
PROFIT BEFORE TAX		-	295,396
Corporation tax expense	9	(34,519)	(37,010)
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF A & L CF SEPTEMBER (2) LIMITED		<u>(34,519)</u>	<u>258,386</u>

All of the activities of the Company are classed as discontinued

The notes on pages 13 to 30 form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2009

The Company has no comprehensive income or expenses attributable to the equity holders other than the loss (2008 profit) for the current and previous year as set out in the Income Statement

The notes on pages 13 to 30 form part of these financial statements

A & L CF SEPTEMBER (2) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Note	Issued capital £	Retained earnings £	Total equity £
Balance at 1 October 2008		100	163,238	163,338
Loss for the year		-	(34,519)	(34,519)
Equity dividend paid	10	-	(128,719)	(128,719)
Balance at 30 September 2009		<u>100</u>	<u>-</u>	<u>100</u>

		Issued capital £	Retained earnings £	Total equity £
Balance at 1 October 2007		100	(95,148)	(95,048)
Profit for the year		-	258,386	258,386
Balance at 30 September 2008		<u>100</u>	<u>163,238</u>	<u>163,338</u>

The notes on pages 13 to 30 form part of these financial statements

A & L CF SEPTEMBER (2) LIMITED

(Company registration number 2603972)

BALANCE SHEET

AS AT 30 SEPTEMBER 2009

	Notes	2009 £	2008 £
ASSETS			
NON CURRENT ASSETS			
Operating lease assets	11	-	2,123,183
Trade and other receivables	12	-	3,739,740
		-	5,862,923
CURRENT ASSETS			
Trade and other receivables	12	100	3,971,370
Cash and cash equivalents	16	-	-
		100	3,971,370
TOTAL ASSETS		100	9,834,293
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	17	100	100
Retained profit		-	163,238
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF A & L CF SEPTEMBER (2) LIMITED		100	163,338
NON CURRENT LIABILITIES			
Deferred tax liabilities	18	-	510,761
CURRENT LIABILITIES			
Trade and other payables	19	-	9,160,194
TOTAL EQUITY AND LIABILITIES		100	9,834,293

The notes on pages 13 to 30 form part of these financial statements

Approved by the Board on 16 February 2010 and signed on its behalf by


Colin Richard Morley
Director

A & L CF SEPTEMBER (2) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	2009 £	2008 £
(Loss)/profit for the year		(34,519)	258,386
NON-CASH ADJUSTMENTS			
Depreciation		-	680,049
Profit on disposal of operating lease assets		-	84,872
Decrease in trade and other receivables		7,711,110	3,443,190
Decrease in trade and other payables		(46,666)	(39,998)
Decrease in accruals		(595,227)	(248,595)
Decrease in deferred taxes		(510,761)	(1,115,466)
		<u>6,523,937</u>	<u>3,062,438</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Group relief received/(paid)		2,153,549	(1,239,361)
Interest paid to parent undertakings		-	(388,067)
Management charges paid to parent undertakings		-	(162,675)
		<u>2,153,549</u>	<u>(1,790,103)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>8,677,486</u>	<u>1,272,335</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire operating lease assets		-	(10,500)
Receipts from sale of operating lease assets		-	702,856
Receipts from related party on the transfer of operating lease assets		2,123,183	-
		<u>2,123,183</u>	<u>692,356</u>
		<u>10,800,669</u>	<u>1,964,691</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of cash advances to parent undertaking		(10,671,950)	(1,964,691)
Dividends paid		(128,719)	-
		<u>(10,800,669)</u>	<u>(1,964,691)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		-	-
Cash and cash equivalents as at 1 October		-	-
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	16	<u>-</u>	<u>-</u>

The notes on pages 13 to 30 form part of these financial statements

A & L CF SEPTEMBER (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS

The financial statements for A& L CF September (2) Limited company registration number 2603972 (the "Company"), for the year were authorised for issue on 26 February 2010 and the Balance Sheet signed on the Board's behalf by Colin Richard Morley. The Company is incorporated and domiciled in England & Wales. The Company's registered office is shown on page 2.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have also been prepared in accordance with IFRS adopted for use by the European Union (EU). The principal accounting policies adopted by the Company are set out in note 2.

The Company did not trade during the year and as required by IAS 1 "Presentation of Financial Statements" the directors have prepared the financial statements on a basis other than that of a going concern.

There were no adjustments arising as a result of preparing the financial statements on a basis other than that of a going concern.

Results and disclosures for the comparative year are on the same basis as the 2009 results.

2. ACCOUNTING POLICIES

Accounting convention

The Company prepares its accounts under the historical cost convention. The principal policies adopted are set out below.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All such revenue is reported net of discounts and value added and other sales taxes.

Revenue from operating and finance leases is recognised in accordance with the Company's policy on Operating Lease Assets and Finance Lease Receivables (see below).

Up front arrangement fees on financing agreements with customers are spread on an effective interest rate basis over the expected life of that agreement.

Interest expense recognition

Interest expense on financial assets and liabilities held at amortised cost is measured using the effective interest rate method, which allocates the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Finance lease agreements

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (continued)

Finance lease receivables

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Finance lease payables

Assets acquired under finance leases are capitalised at the fair value at the start of the lease, with corresponding obligations being included in other liabilities. The finance lease costs charged to the income statement are based on a constant periodic rate as applied to outstanding liabilities.

Operating lease assets

Assets acquired for the purpose of renting out under operating lease agreements are capitalised and depreciation is provided at rates calculated to write off the cost of the assets, less estimated residual value, on a straight line basis over the estimated useful life.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Taxation

The tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Income Statement because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Taxable profit also includes items that are taxable or deductible that are not included in 'Profit before tax'. The Company's liability for current tax and deferred tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Financial assets

The company classifies all its financial assets as determined at initial recognition as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

'Loans and advances to customers' are classed as Loans and Receivables. 'Net investment in finance leases and operating leases' are treated in accordance with the Company's policy on finance lease agreements.

Loans and receivables are carried at amortised cost using the effective interest rate method. Interest calculated using the effective interest rate method is recognised in the income statement.

Financial liabilities

Non-trading financial liabilities are held at amortised cost. Finance costs are charged to the income statement using the effective interest rate method.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Impairment of financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

- a) significant financial difficulty of the issuer or obligor,
- b) a breach of contract, such as a default or delinquency in interest or principal payments,
- c) the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Company would not otherwise consider,
- d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation,
- e) the disappearance of an active market for that financial asset because of financial difficulties, or

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including
- i) adverse changes in the payment status of borrowers in the group, or
 - ii) national or local economic conditions that correlate with defaults on the assets in the group

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is no objective evidence of impairment for an individually assessed financial asset it is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment.

Commercial lending is reviewed for impairment on a case by case basis for individually significant loans. Loans that are not individually significant are assessed for impairment on a portfolio basis.

Impairment is calculated based on the probability of default, exposure at default and the loss given default, using recent data. An adjustment is made for the effect of discounting cash flows.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's effective interest rate.

Financial assets are written off when it is reasonably certain that receivables are irrecoverable.

Foreign currencies

Foreign currency monetary transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions, and any financial assets or liabilities are re-translated at year end exchange rates. Foreign exchange gains and losses are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (continued)

CHANGES TO IFRS NOT ADOPTED IN 2009 ACCOUNTS

The International Accounting Standards Board has published the following IAS, IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations

Title	Subject	Mandatory for accounting periods starting on or after	Endorsed or when endorsement expected
IAS/IFRS Standards			
IFRS 9	Financial Instruments	1 January 2013	Postponed
IAS 24 revised Nov 2009)	Related Party Disclosures	1 January 2011	Q2 2010
Amendment to IAS 32 (Oct 2009)	Classification of Rights Issues	1 February 2010	23 Dec 2009
Amendments to IFRS 1 (Jul 2009)	Additional Exemptions for First-time Adopters	1 January 2010	Q2 2010
IFRS for SMEs	IFRS for small and medium-sized entities	See note 7 below	TBC
Amendments to IFRS 2 (Jun 2009)	Group Cash-settled Share-based Payment Transactions	See note 6 below	Q1 2010
Improvements to IFRSs 2009 (Apr 2009)	Improvements to IFRSs 2009	See note 4 below	Q1 2010
Amendments to IFRIC 9 and IAS 39 (Mar 2009)	Embedded Derivatives	See note 3 below	27 Nov 2009
Amendments to IFRS 7 (Mar 2009)	Improving Disclosures about Financial Instruments	1 January 2009	27 Nov 2009
IFRS 3 (revised Jan 2008)	Business Combinations	1 July 2009	3 June 2009
Amendment to IAS 23 (Mar 2007)	Borrowing Costs	1 January 2009	10 Dec 2008
Amendments to IAS 27 (Jan 2008)	Consolidated and Separate Financial Statements	1 July 2009	3 Jun 2009
Amendment to IFRS 2 (Jan 2008)	Vesting Conditions and Cancellations	1 January 2009	16 Dec 2008
Amendments to IAS 32 and IAS 1 (Feb 2008)	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009	21 Jan 2009
Amendments to IFRS 1 and IAS 27 (May 2008)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	23 Jan 2009
Improvements to IFRSs 2008 (May 2008)	Improvements to IFRSs 2008	1 January 2009	23 Jan 2009
Amendment to IAS 39 (Jul 2008)	Eligible Hedged Items	1 July 2009	15 Sept 2009

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (continued)

CHANGES TO IFRS NOT ADOPTED IN 2009 ACCOUNTS (continued)

Note 1 amendments may be applied prospectively from 1 July 2008 irrespective of when accounting period commenced. Any reclassification made on or after 1 November 2008 shall take effect only from the date of reclassification.

Note 2 Although the EU regulation adopting this IFRIC has set a later effective date for mandatory application earlier adoption is permitted. In connection with those IFRICs where EU regulations have set a later effective date for mandatory application, where an EU entity chooses to prepare financial statements in accordance with IFRSs as issued by the IASB, as well as in compliance with IFRSs as adopted by the EU, that entity should comply with the earlier IASB effective date for these interpretations.

For entities complying with IFRSs as adopted by the EU early application of these Interpretations is encouraged, especially as many clarify existing Standards. It is therefore likely that in many cases there will be no change on formal adoption of these Interpretations. In the event that an entity is taking advantage of the later EU mandatory effective date to delay implementation of these interpretations you should consult with NAA.

Note 3 effective for annual periods ending on or after 30 June 2009

Note 4 Improvements to IFRSs 2009 includes amendments to a number of Standards and Interpretations. The effective date of all the amendments is either for annual periods beginning on or after 1 July 2009 or 1 January 2010.

Note 5 Although the EU regulation adopting this standard/amendment has set a later effective date for mandatory application earlier adoption is permitted.

Note 6 The amendments to IFRS 2 in June 2009 to clarify the accounting for group cash-settled share-based payment transactions are effective for annual periods beginning on or after 1 January 2010.

The amendments to IFRS 2 also incorporate guidance previously included in IFRIC 8 and IFRIC 11. These amendments to IFRS 2 supersede IFRIC 8 and IFRIC 11 and continue to have the same effective date as the original interpretations (IFRIC 8 was effective for annual periods beginning on or after 1 May 2006 and IFRIC 11 for annual periods beginning on or after 1 March 2007).

Note 7 The IFRS for SMEs is separate from full IFRSs and is therefore available for any jurisdiction to adopt whether or not it has adopted the full IFRSs. It is also for each jurisdiction to determine which entities should use the standard. It is effective immediately on issue.

The Company has not elected to adopt these Standards changes early in these financial statements. The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

A & L CF SEPTEMBER (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF SIGNIFICANT MANAGEMENT JUDGEMENT

Some asset and liability amounts reported in the accounts are based on management judgement, estimates and assumptions. There is a risk of significant changes to the carrying amounts for these assets and liabilities within the next financial year.

Impairment Provisions

Individual provisions are made in respect of finance and rental agreements where recovery is considered doubtful, a collective provision is made for losses which, although not specifically identified, are known to be inherent in any portfolio of lending. The provisions are deducted from the net investment in finance agreements. The charge in the income statement comprises write offs, recoveries and the net movement in provisions in the year.

Effective interest rate calculations

IAS 39 requires certain financial assets and liabilities to be held at amortised cost, with income recognised using the effective interest rate (EIR) methodology. In order to calculate EIR, the contracted repayment profile is used. If customers repay earlier than anticipated, this will generally lead to an increase in the balance sheet carrying value and a gain in the income statement.

Residual values

Residual values are estimated at the inception of lease agreements and are subsequently reviewed for impairment during the life of the lease agreements. Appropriate provisions are recognised in the income statement.

4. RISK MANAGEMENT POLICY AND CONTROL FRAMEWORK

As a result of its normal business activities, the Company is exposed to a variety of risks, the most significant of which are operational risk, credit risk and liquidity risk. The Company manages its risk in line with the central risk management function of the Santander UK Group. Santander UK's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Santander UK Group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the Santander UK Group's business activities will not be adversely impacted by risks that could have been reasonably foreseen. This in turn reduces the uncertainty of achieving the Santander UK Group's strategic objectives. Authority flows from the Santander UK plc Board to the Chief Executive Officer and from him to his direct reports. Delegation of authority is to individuals. Formal standing committees are maintained for effective management and oversight. Further information can be found in the Santander UK plc Annual Report which does not form part of this report.

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

5. RISK MANAGEMENT DISCLOSURES

Operational risk

Operational risk is defined as 'the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events' Operational risk is monitored by Group as described in the Risk Management Policy and Control Framework in the Group's Annual Report An independent operational risk team within the Group Risk function has the overall responsibility for ensuring effective operation of the framework within which operational risk is managed, and for its consistent application across the Group

Day to day management of operational risk rests with line managers It is managed through a combination of internal controls, processes and procedures and various risk mitigation techniques, including insurance and business continuity planning Oversight of regulatory risk is the responsibility of the Group Risk and Compliance functions

Credit risk

Credit risk is the risk of loss arising from a customer or counterparty failing to meet their financial obligations to the Company as and when they fall due The credit quality of customer assets is mitigated by the credit approval process in place Credit risk is mitigated by security taken over the borrower's assets The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or group of borrowers Such risks are monitored on a revolving basis and subject to an annual or more frequent review

Lending decisions are based on independent credit risk analysis supplemented by the use of internal ratings tools which assess the obligor's likelihood of default The output of the ratings tools is a borrower grade which maps to a long-run average one year probability of default Borrower grades are reviewed at least annually, allowing identification of adverse individual and sector trends The grade is integrated into an overall Credit & Risk evaluation, including wider factors such as transaction and borrower structure (ranking and structural subordination), debt serviceability and security (initial and residual value considerations) Consideration is also given to risk mitigation measures to protect the Company, such as third-party guarantees, supporting collateral and security, robust legal documentation, financial covenants and hedging Transactions are further assessed using an internal pricing model which measures both the return on equity and the risk adjusted return on capital against a series of benchmarks to ensure risks are appropriately priced

Portfolio asset quality monitoring is based on a number of measures, including expected loss, financial covenant monitoring, security revaluations, pricing movements and external input from rating agencies and other organisations Should particular exposures begin to show adverse features such as payment arrears, covenant breaches or business trading performance that is materially worse than expected at the point of lending, a full risk reappraisal is undertaken Where appropriate, case management is transferred to a specialist recovery team that works with the customer in an attempt to resolve the situation If this does not prove possible, cases are classified as being unsatisfactory and are subject to intensive monitoring and management procedures designed to maximise debt recovery

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

5. RISK MANAGEMENT DISCLOSURES (continued)

Credit risk (continued)

The classes of financial instruments that are most exposed to credit risk in the Company are net investment in operating lease assets (note 11) and finance lease agreements (note 13)

	2009	2008
	£	£
Net investment in finance lease agreements	-	5,945,865
Operating lease assets	-	2,123,183
	<u>-</u>	<u>8,069,048</u>

For the Company, there are £Nil balances in the current year and in the prior year 100% of the balances were secured. The main types of security were charges over assets being financed such as property and vehicles.

All exposures are with Corporate and other customers.

Arrears and impairment

There are £Nil lending balances at 30 September 2009 and at 30 September 2008. 1.5% of lending balances were in arrears.

Payment due status

	Commercial Asset Finance			
	2009		2008	
	£	%	£	%
Not impaired				
Neither past due nor impaired	-	-	8,019,732	98.5
Past due up to 3 months but not impaired	-	-	119,378	1.5
Impaired	-		-	-
Individually assessed impairments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>8,139,110</u>	<u>100</u>
Provisions	-		(70,062)	
Total	<u>-</u>		<u>8,069,048</u>	

In the prior year the carrying value of repossessed stock was £Nil.

In the prior year fair value of collateral on impaired assets was £Nil.

In the prior year interest accrued on impaired assets was £Nil.

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

5. RISK MANAGEMENT DISCLOSURES (continued)

Arrears and impairment (continued)

The portfolio is subject to regular monitoring for potential impairment. This monitoring includes review of each counterparty's repayment record and examination of new financial and business sector information relevant to each counterparty. In the event of deterioration in a counterparty's creditworthiness being identified through this monitoring a thorough analysis is undertaken to establish the full circumstances surrounding the cause and severity of that deterioration. Where this indicates a reasonable expectation that future anticipated cashflows may not be received, the asset originating these doubtful cashflows is deemed to be impaired. Typical reasons for an impairment charge being made include counterparty insolvency, failure to make agreed repayments or a breach of a covenant included within facility documentation.

£Nil (2008: £Nil) of loans that would have been past due or impaired, have had their terms renegotiated.

Loans up to 3 months past due have a collective provision set aside to cover losses on loans which are in the early stages of arrears.

Impairment on loans and advances

	2009 £	2008 £
At 1 October		
Collective	<u>70,062</u>	<u>118,492</u>
Total impairments	<u>70,062</u>	<u>118,492</u>
Charge for the year		
Decrease in provisions	<u>-</u>	<u>(48,430)</u>
Total amounts written back in year	<u>-</u>	<u>(48,430)</u>
Transfer of lease agreements	(70,062)	-
At 30 September		
Collective	<u>-</u>	<u>70,062</u>
Total impairments	<u>-</u>	<u>70,062</u>

Market risk

Market risk is the potential adverse change in Company income or the value of Company net worth arising from movements in market rates, including interest rates, exchange rates, inflation rates and equity prices. The Company recognises that the effective management of market risk is essential to the maintenance of stable earnings and the preservation of shareholder value, and manages market risk accordingly. Details of the policy are disclosed in the Risk Management Policy and Control Framework in the Santander UK plc Annual Report.

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

5. RISK MANAGEMENT DISCLOSURES (continued)

Interest rate risk

Interest rate risk is the most significant market risk to which the Company is exposed. This risk mainly arises from mismatches between the re-pricing dates of the interest bearing assets and liabilities on the Company's balance sheet, and from the investment of the Company's reserves. Interest rate risk primarily arises in the Company's leasing trade. The exposure in this area is hedged with Santander UK plc Treasury using interest rate swaps and other appropriate instruments.

Changes in interest rates would result in no impacts on either the equity of the Company or on the income statement. Interest is allocated on a lease agreement by lease agreement basis within the Company and all interest rate risk is borne by the immediate parent company, Alliance & Leicester Commercial Finance plc.

Equity risk

The Company has no material exposure to equity markets.

Liquidity risk

Liquidity risk is the risk that the Company, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can only secure them at excessive cost.

The Company is dependent on loans from its immediate parent undertaking.

The day to day management of liquidity is the responsibility of the Alliance & Leicester plc Treasury function, which provides funding to and takes surplus funds from the Company as required.

All liabilities are repayable on demand.

6. OPERATING SEGMENTS

In line with the immediate parent undertaking, Alliance & Leicester Commercial Finance plc, the Company elected to adopt IFRS 8 "Operating Segments" earlier than the date required by The International Accounting Standards Board.

IFRS 8 requires operating segments to be identified on the basis of internal reports. Banco Santander S.A. manages its operations on a geographical basis. As outlined in the Directors' Report, the company operates as part of the Banco Santander S.A. Group's Corporate Banking Division within the United Kingdom Operation and therefore considers that all of its operations are managed as part of the Corporate Banking Division and further segmental analysis is not necessary.

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

7. PROFIT FROM OPERATIONS

Profit from operations is stated after charging the following

	2009 £	2008 £
Depreciation of operating lease assets	<u>-</u>	<u>680,049</u>

The depreciation of operating lease assets is included in cost of sales

Directors' emoluments

The directors received no remuneration for their services to this Company in either the current or the preceding year. The directors are also directors of the immediate parent Company, Alliance & Leicester Commercial Finance plc and the majority of their activities relate to services carried out in relation to Alliance & Leicester Commercial Finance plc and other Group companies. Therefore the directors deem it inappropriate to directly allocate any of their costs to the income statement of this Company.

Auditors' remuneration

Auditors' remuneration of £3,000 (2008: £3,000) was borne by the immediate parent company, Alliance & Leicester Commercial Finance plc, in both the current and the preceding year.

No non-audit fees were borne on behalf of the Company in either the current or preceding year.

Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year or the preceding year. The Company had no employees in either the current or the preceding year.

8. FINANCE COSTS

	2009 £	2008 £
Amounts payable to immediate parent undertakings	<u>-</u>	<u>388,067</u>
	<u>-</u>	<u>388,067</u>

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

9. CORPORATION TAX EXPENSE

Components of Corporation tax

	2009 £	2008 £
Current tax expense		
Current tax charge	-	438,659
Adjustments to current tax of prior period	<u>1,001,073</u>	<u>713,817</u>
Current tax expense	<u>1,001,073</u>	<u>1,152,476</u>
Deferred tax income		
Relating to origination and reversal of temporary differences	-	(401,649)
Adjustments to deferred tax of prior period	<u>(966,554)</u>	<u>(713,817)</u>
Deferred tax income	<u>(966,554)</u>	<u>(1,115,466)</u>
 Tax expense reported in income statement	 <u>34,519</u>	 <u>37,010</u>

Reconciliation of corporation tax charge to accounting profit

The effective rate of tax for the year was the higher than (2008 lower than) the standard rate of corporation tax in the UK for the year ended 30 September 2009 of 28% (2008 29%) where the Company generates substantially all its profits

	2009 £	2008 £
Profit before tax	<u>-</u>	<u>295,396</u>
Tax calculated at a rate of 28% (2008 29%)	-	85,665
Impact on deferred tax of change in the rate of corporation tax	-	(48,655)
Adjustment in relation to prior periods	<u>34,519</u>	<u>-</u>
Corporation tax expense	<u>34,519</u>	<u>37,010</u>

10. DIVIDENDS

During the year the Company paid an interim dividend of £1,287 19 per equity share, a total payment of £128,719 (2008 £Nil)

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

11. OPERATING LEASE ASSETS

The Company entered into operating lease arrangements with customers in the corporate sector

	2009	2008
	£	£
Cost		
At 1 October	5,371,972	9,027,179
Additions	-	10,500
Disposals	-	(3,665,707)
Transfer to fellow group undertaking	(5,371,972)	-
At 30 September	<u>-</u>	<u>5,371,972</u>
Depreciation		
At 1 October	3,248,789	5,446,719
Disposals	-	(2,877,979)
Charge for year	-	680,049
Transfer to fellow group undertaking	(3,248,789)	-
At 30 September	<u>-</u>	<u>3,248,789</u>
Net book value		
At 1 October	<u>2,123,183</u>	<u>3,580,460</u>
At 30 September	<u>-</u>	<u>2,123,183</u>

As disclosed in the Directors' Report, on 1 October 2008 lease agreements were transferred to a fellow group undertaking, A & L CF December (2) Limited. The transfer was made at net book value (which was deemed to be equal to the fair value) and therefore no gain or loss arose on the transfer of the lease agreements.

At the balance sheet date, the Company had contracted with lessees for the following future minimum lease payments

	2009	2008
	£	£
Within 1 year	-	368,444
Between 1-5 years	-	379,231
In more than 5 years	-	23,827
Total	<u>-</u>	<u>771,502</u>

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

12. TRADE AND OTHER RECEIVABLES

	2009 £	2008 £
Non current		
Finance lease receivables	-	3,739,740
Current		
Finance lease receivables	-	2,206,125
Other receivables	-	1,765,245
Amounts owed from parent undertakings	100	-
	<u>100</u>	<u>3,971,370</u>
Total trade and other receivables	<u>100</u>	<u>7,711,110</u>

13. FINANCE LEASES

The Company entered into finance lease arrangements with customers in the corporate sector

	<i>Gross investment in the lease</i>		<i>Present value of minimum lease payments</i>	
	2009 £	2008 £	2009 £	2008 £
Less than one year	-	3,201,318	-	2,206,125
Later than one year but less than five years	-	5,065,279	-	3,490,637
Later than five years	-	361,475	-	249,103
	<u>-</u>	<u>8,628,072</u>	<u>-</u>	<u>5,945,865</u>
Less				
Unearned finance income	-	(909,636)		
Unguaranteed residual value accruing to the benefit of the lessor	-	(1,765,958)		
Provision for uncollectible minimum lease payments	-	(6,613)		
Net investment in finance leases	<u>-</u>	<u>5,945,865</u>		
Non-current			-	3,739,740
Current			-	2,206,125
			<u>-</u>	<u>5,945,865</u>

As disclosed in the Directors' Report, 1 October 2008 lease agreements were transferred to a fellow group undertaking, A & L CF December (2) Limited. The transfer was made at net book value (which was deemed to be equal to the fair value) and therefore no gain or loss arose on the transfer of the lease agreements.

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

14. CAPITAL

Capital was managed centrally during the year by both the Alliance & Leicester plc group and the Banco Santander S A group. Disclosures relating to the capital management process can be found in the Alliance & Leicester plc and Banco Santander S A Annual Report and Accounts. The Company does not have a non-centralised process for managing its own capital.

15. RELATED PARTY TRANSACTIONS

Ultimate controlling party

The Company's immediate parent company is Alliance & Leicester Commercial Finance plc, a company registered in England and Wales.

The Company's ultimate parent undertaking and controlling party is Banco Santander S A, a company registered in Spain. Banco Santander S A is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member. Alliance & Leicester plc is the parent undertaking of the smallest group of undertakings for which the group accounts are drawn up and of which the Company is a member.

Copies of all sets of group accounts, which include the results of the Company, are available from Secretariat, Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN.

Trading activities

Payable to related parties

	2009	2008
	£	£
Current tax Group relief	-	1,152,476
Amounts owed to parent undertakings	-	7,365,825
	<u>-</u>	<u>8,518,301</u>

Receivable from related parties

	2009	2008
	£	£
Amounts owed by parent undertakings	100	-
	<u>100</u>	<u>-</u>

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

15. RELATED PARTY TRANSACTIONS (continued)

The Company entered into transactions with other related parties as shown in the table below

	2009 £	2008 £
Amount owed from/(to) parent undertakings		
As at 1 October	(8,518,301)	(12,273,095)
Net movements	<u>8,518,401</u>	<u>3,754,794</u>
As at 30 September (note 12/note 19)	<u>100</u>	<u>(8,518,301)</u>
 Interest paid to parent undertakings	 <u>-</u>	 <u>388,067</u>

Key management compensation

As detailed in note 7 the Company had no employees in either the current or preceding year and the directors are remunerated through Alliance & Leicester Commercial Finance plc therefore no key management compensation was paid by this Company

Administration expenses

During the current year the Company paid administrative cost recharges to other parent undertakings of £Nil (2008 £162,675)

16. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise the following

	2009 £	2008 £
Cash at bank	<u>-</u>	<u>-</u>

17. ISSUED SHARE CAPITAL

	2009 No	2009 £	2008 No	2008 £
Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

All issued share capital is classified as equity

A & L CF SEPTEMBER (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

18. DEFERRED TAX LIABILITIES

	Balance sheet		Income statement	
	2009	2008	2009	2008
	£	£	£	£
Deferred tax liabilities				
Relating to depreciation	-	530,380	966,554	(1,129,027)
Relating to provisions	-	(19,619)	-	13,561
	<u>-</u>	<u>510,761</u>	<u>966,554</u>	<u>(1,115,466)</u>

The movement in the deferred tax account is as follows

	2009	2008
	£	£
At 1 October	510,761	1,626,227
Income statement credit (note 9)	(966,554)	(1,115,466)
Provision on transfer of lease agreements	455,793	-
At 30 September	<u>-</u>	<u>510,761</u>

19. TRADE AND OTHER PAYABLES

	2009	2008
	£	£
Trade payables	-	46,666
Accrued liabilities	-	595,227
Payable to related parties (note 15)	-	8,518,301
	<u>-</u>	<u>9,160,194</u>