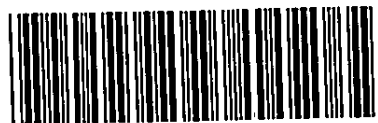


REGISTERED NUMBER: 03087393 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010
FOR
BRITISH CREDIT TRUST LIMITED**

THURSDAY



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BRITISH CREDIT TRUST LIMITED
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FOR THE YEAR ENDED 31 MARCH 2010

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BRITISH CREDIT TRUST LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2010

DIRECTORS:

A R Hill
A P Lee

COMPANY SECRETARY:

Linnells Secretarial Services Limited

REGISTERED OFFICE:

Seacourt Tower
West Way
Oxford
Oxfordshire
OX2 0FB

REGISTERED NUMBER:

03087393 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

BRITISH CREDIT TRUST LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010

The directors present their annual report with the audited financial statements of the company for the year ended 31 March 2010

PRINCIPAL ACTIVITIES

BCT Ltd ('BCT') is a member of a group of companies, headed by Consumer Finance Acquisition Co Ltd ('CFAC') The Group's purpose is to originate and manage Consumer Motor HP contracts

The principal role of BCT within the CFAC Group has been to

- 1 Originate consumer receivables and sell them to one of BCT's funding vehicles (SPE's), and
- 2 Repurchase non-performing receivables (or the economic interest therein) which become ineligible for bank funding from those SPE subsidiaries The subsidiaries are mainly funded by external senior debt but also have a small tranche of subordinated loans from the CFAC Group All cash receipts net of related collection costs up to 31 March 2010 were for the benefit of BCT

BCT is not presently originating new receivables given the restrictions placed on its funding after January 2010 albeit, during the period prior to that when that restriction was not in place, a residual £6m was originated and sold to the SPE's

BCT purchases all of its collection capability including staff, IT and facilities via a servicing contract with British Credit Trust Holdings Ltd ('BCTH'), its immediate parent There are no employees in BCT

Post year end on 1 April 2010 the Group's funding facilities were refinanced via their existing funders The terms of that refinancing removed the repurchase recourse obligation on receivables that become ineligible for funding within the SPE's with effect from 31 March 2010 As a result any cash collected on such receivables subsequent to that refinancing agreement were applied directly to the SPE rather than BCT with effect from 1 April 2010 as the SPE continued to hold those assets This has had the impact of accelerating the payments made to the SPE funders and balances due to funders have significantly reduced accordingly At this point BCT's income solely became cash received on its existing agreements bought back under previous recourse arrangements Costs were significantly reduced accordingly to ensure the business remained cash generative BCT was also no longer required to maintain a recourse provision

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

On 1 May 2009, the Group's funding facilities were extended to February 2010 These were further extended on 1 April 2010 to 31 March 2011 as noted above

All Funders continued with their intentions to de-lever during the year, and after January 2010 no funds were provided for New Business (albeit up to that date £6m had already been advanced to customers in the financial year) This was to allow for negotiations to take place to refinance the business further beyond February 2010 This consequently placed the Group's portfolios into 'run-off' As noted above the funding facilities were renewed to 31 March 2011

Whilst the business continues to trade, the lack of new business referred to above, has resulted in a focus on collection activity for the existing business

During the year the Group also sought to raise new investment to fund new business and to take advantage of the lack of market supply to UK non-prime motor consumers The proposed new credit and market approach received interest from brokers, dealers, and funders alike Whilst the exercise was successful in obtaining significant offers of interest from all classes of investor, the directors and the shareholders however decided not to pursue the investment given the final indicative terms This opportunity still exists should satisfactory terms be achieved

Consequently the Directors sought to maximise shareholder value by delivering strategies to identify and then realise the value of the existing receivables This was done by focussed collection activity, making significant cost reductions in the group and by realising a 'known cost' collection platform via third party providers A successful transfer to a third party servicer took place on 20 November 2010 This ensured that the existing paying and early arrears customers could be serviced at a known cost per account Customers who require managing past the 'early arrears' stage were not transferred and continue to be serviced by BCT and BCTH by our highly experienced residual team at our headquarters

This strategy of cutting costs, concentrated collection activity and proactive customer management is forecast to deliver a reasonably better value for the Group's owners Citigroup Capital UK Ltd ('CCUK') This is highly dependent upon the performance of the new servicer of the 'middle book' performing to the same level as BCTH previously had

Current CFAC Group cash balances total c £9m and as the new infrastructure is forecast to be cash generative the directors are of the opinion that they have sufficient financial resources at the current time to meet any non group related liabilities as they fall due

REGISTERED NUMBER: 03087393

Continued .

BRITISH CREDIT TRUST LIMITED
REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31 MARCH 2010

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS - continued

Dependent on strong management of arrears both advance rates and amounts outstanding to the SPE funders are forecast to be significantly lower when the existing Group funding facilities mature on 31 March 2011. The forecasts and modelling prepared for the directors and shared with our banks indicate that the senior lenders are likely to be repaid with a likelihood that a reasonable sum after bank repayment will be available for distribution to Consumer Finance Acquisitions Co Limited ('CFAC Group') although, as noted, this is dependent upon the third party servicer collection performance being at least on a par with BCTH previously, and also given the macro economic climate there is a degree of uncertainty involved in estimating future cash flows and there remains a risk that one or more of the primary lenders may not be repaid in full.

The directors intend to open discussion about extending the financing facility past 31 March 2011 with the senior funders well ahead of expiry date. The forecast funding balance at that time is £35m. Should such discussions be successful two of the three senior funders are forecast to be repaid during 2011, thereby at that time bringing the remaining assets and cash flows of these facilities under the full control of the directors and the CFAC Group. The directors do not at this stage currently see any reason why this facility should not be renewed, however, there can be no guarantee that negotiations will be successful.

With the Group now in a 'run off' status the directors have to decide whether to use the going concern basis in preparing these financial statements, including

- i cash flow projections for the next 12 months from the date of approval of these financial statements
- ii the continued support provided by Citigroup Capital UK Limited (via a Letter of Comfort to the Board)

Whilst these two factors are strong, as the Group is now in a 'run off' situation with significant downsizing of infrastructure and personnel, the directors have decided that a 'non-going concern' basis would be the most suitable. Hence the accounts are prepared on that basis.

RESULTS AND DIVIDENDS

The company produced a profit before tax of £1,689,524 (2009 Loss £40,491,241). No dividends will be distributed for the year ended 31 March 2010 (2009 nil).

DIRECTORS

Changes in directors holding office are as follows:

A G H Gullan - appointed 6 April 2009 - resigned 27 April 2009 - appointed 16 June 2009 - resigned 6 July 2009 - appointed 7 August 2009 - resigned 4 September 2009
A Mills - appointed 29 April 2009 - resigned 8 May 2009 - appointed 14 July 2009 - resigned 6 August 2009
T C Powell - appointed 14 July 2009 - resigned 4 September 2009
A R Hill - appointed 10 July 2009
M A Woodall - resigned 10 July 2009
A P Lee - appointed 25 August 2009
J B Sinclair - resigned 23 November 2009

No directors held any interest in the Ordinary shares of £1 each at 1 April 2009 or at 31 March 2010.

PRINCIPAL RISK AND UNCERTAINTIES

The main risk to the company during the year was that of credit risk albeit post year end the repurchasing obligation from the SPE's has now been removed with effect from 31 March 2010 under the latest refinancing agreement. There is no outstanding external funding on assets bought back.

FINANCIAL RISK MANAGEMENT

The risks and uncertainties of the consumer credit market relate principally to changes in the economic circumstances of borrowers and the general economy.

The Company has been in the past exposed to liquidity risk due to its obligation to acquire certain delinquent loans from the SPEs. This has been mitigated through the revised facility agreements and has been explained in note 1. Cash flow management is reviewed regularly to ensure cash receipts exceed costs of collection.

In respect of general liquidity the SPE's funding facilities are due to be renewed on 31 March 2011 and this is described above. Citigroup Capital UK Ltd has however also provided a letter of comfort to the Board providing confidence in ongoing financial support should this be required.

The Company does not have exposure to interest rate risk on assets.

Citigroup Capital UK Limited has suspended charging the company interest on its warehouse loan since April 2008.

REGISTERED NUMBER: 03087393

Continued

BRITISH CREDIT TRUST LIMITED
REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31 MARCH 2010

GOING CONCERN

For reasons more fully explained in note 1 to the financial statements, the directors no longer consider that the going concern basis remains appropriate given the finite book run off period

POST BALANCE SHEET EVENTS

The senior funders' facility agreements of the SPE's were amended after the financial year, on 1 April 2010, such that the maturity of funding was extended to 31 March 2011

As explained in the 'Review of business and business development' section above, the directors of the group decided not to pursue new investment, and in the interests of maximising shareholder value decided to transfer the servicing of existing SPE portfolios to a third party servicer. This transfer took place on 20 November 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political or charitable contributions during the year (2009 Nil)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each 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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming annual general meeting

ON BEHALF OF THE BOARD


A R Hill
Director

Date 27 Dec 10

REGISTERED NUMBER. 03087393

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BRITISH CREDIT TRUST LIMITED**

We have audited the financial statements of British Credit Trust Limited for the year ended 31 March 2010 which comprise the Profit and loss account, the Balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter - going concern

In forming our opinion on these financial statements, which is not qualified, we have considered the adequacy of the disclosure in Note 1 to the financial statements concerning the Company's ability to continue as a going concern, which explains that these financial statements have been prepared on a break-up basis, whereby all assets are stated at their recoverable amounts and provision made in respect of further liabilities arising as a result.

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.

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



Michael Newman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

Date 30 December 2010

REGISTERED NUMBER: 03087393

BRITISH CREDIT TRUST LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
TURNOVER		14,527,541	38,750,595
Cost of sales		<u>(526,744)</u>	<u>(26,607,741)</u>
GROSS PROFIT		14,000,797	12,142,854
Waiver of Inter Company loan		(4,806,394)	-
Administrative expenses		<u>(7,511,731)</u>	<u>(54,112,053)</u>
		1,682,672	(41,969,199)
Other operating income		<u>-</u>	<u>1,467,960</u>
OPERATING PROFIT/(LOSS)	3	1,682,672	(40,501,239)
Interest receivable and similar income		<u>6,852</u>	<u>9,998</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,689,524	(40,491,241)
Tax credit on profit/(loss) on ordinary activities	4	<u>280</u>	<u>-</u>
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR 10		<u><u>1,689,804</u></u>	<u><u>(40,491,241)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year 2010 and their historical cost equivalents

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year, and therefore no separate statement of total recognised gains and losses has been presented

REGISTERED NUMBER: 03087393

The notes form part of these financial statements

BRITISH CREDIT TRUST LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2010**

	Note	2010 £	2009 £
CURRENT ASSETS			
Debtors amounts falling due within one year	5	15,061,933	18,055,275
Debtors amounts falling due after more than one year	5	2,971,384	-
Cash at bank and in hand		<u>5,392,027</u>	<u>4,214,285</u>
		23,425,344	22,269,560
Creditors: Amounts falling due within one year	6	<u>(20,839,454)</u>	<u>(21,373,474)</u>
NET CURRENT ASSETS		<u>2,585,890</u>	<u>896,086</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,585,890</u>	<u>896,086</u>
CAPITAL AND RESERVES			
Called up share capital	9	60,700,102	60,700,102
Share premium account	10	3,499,900	3,499,900
Profit and loss account	10	<u>(61,614,112)</u>	<u>(63,303,916)</u>
TOTAL SHAREHOLDERS' FUNDS	11	<u>2,585,890</u>	<u>896,086</u>

The financial statements on pages 6 to 14 were approved by the Board of Directors on 23rd Dec 10 and were signed on its behalf by

A R Hill
Director

REGISTERED NUMBER 03087393

The notes form part of these financial statements

BRITISH CREDIT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the applicable accounting standards in the United Kingdom, the Statement of Recommended Accounting Practice (Accounting issues in the asset finance and leasing industry) and the Companies Act 2006. A summary of the more important accounting policies, which have been applied consistently unless otherwise stated, is set out below.

Basis of accounting

The financial statements for the year ended 31 March 2010 are prepared under the break-up basis whereby all assets are stated at their net recoverable amounts, and provision made in respect of further liabilities. The comparatives for the year ended 31 March 2009 have been presented on a going concern basis under the historical cost convention.

Reclassification of comparative amounts

Certain debtor and creditor comparative amounts have been reclassified so as to be representative comparables for current reclassifications and disclosures.

Cash flow statements and related party disclosures

The company's results are included in the consolidated financial statements of Consumer Finance Acquisitions Co. Limited ("CFAC"), which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the CFAC group.

Since the company is controlled by Consumer Finance Acquisitions Co. Limited, the entities controlled by Consumer Finance Acquisitions Co. Limited are considered as related parties to the company and balances with such parties are disclosed in notes 5, 6 and 7.

Turnover and cost of sales

The Company's turnover wholly arises in the United Kingdom and mainly from its interest in portfolio of instalment finance loans. In the opinion of the directors, the turnover of the company is most appropriately represented by interest, commission, fee income received and deferred consideration, calculated in accordance with the loan facility agreement. Similarly, cost of sales is comprised of interest, commissions, and fees paid. This represents an adaptation of the profit and loss account format contained in Schedule 1 to SI 2008/410 due to the special nature of the company's business.

Instalment finance

Charges made for instalment finance and commissions payable to dealers are brought into revenue on a basis to reflect a consistent rate of return on the outstanding principal balance over the life of the consumer loan. For consumer loan agreements written prior to July 2005, this was calculated using the sum of digits method. For new agreements written after this date this was calculated on an actuarial basis.

Document fees and premiums on non-cancellable insurance products are spread over the period of the consumer loan agreements.

Deferred tax

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 by the balance sheet date. Deferred tax assets are recognised to the extent that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the 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.

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010**

I ACCOUNTING POLICIES - continued

Impairment provisions

The group has assessed the recoverability of its financial assets on a non going concern (break-up) basis and impaired these accordingly at their net recoverable amount, including an adjustment for the time value of money

In determining the net recoverable amount the group took the following into to consideration

- a) The expected life time gross losses remaining
- b) The recoverability of those assets expected to go into loss
- c) Future expected labor rates
- d) Future budgeted expenditure
- e) Strategic strategies for optimising asset values
- f) The time value of money

The 2009 comparatives are not on a break up basis, instead were calculated using risk analytical techniques to derive a probability of default and a loss given that probability of default

Deferred consideration

When the company sells instalment finance receivables to SPE's, the consideration received may comprise both initial and deferred consideration. Any deferred consideration is receivable based on the actual performance of the loan agreements sold, includes excess spread earned and is recognised in the profit and loss account in Turnover as it arises

Going concern basis of preparation

The financial statements have been prepared on a break up basis as explained below

As highlighted in the directors' report, the Group's funders continued with their intentions to de-lever. Funds for New Business were not provided after January 2010 to enable discussions on funding extensions to take place. The extensions were executed in April 2010 with a maturity of 31 March 2011. This consequently placed the portfolios into 'run-off'. During the previous 12 months the level of bank funding had been significantly reduced by some £90m. We expect this trend to continue.

The terms of the extension removed the repurchase recourse obligation on receivables that become ineligible for funding within the SPE's with effect from 31 March 2010. As a result any future cash collected on such receivables was applied with effect from 1 April 2010 directly to the SPE rather than BCT as the SPE continued to hold those assets. This has the impact of accelerating the payments made to the SPE funders and balances due to funders have significantly reduced accordingly subsequent to the year end. At this point BCTH's costs were significantly reduced accordingly to ensure the business remained cash generative.

The funders and directors also reached agreement that in the event that new investment was not obtained, the best alternative action would be to place the majority of receivables with a third party service provider. Consequently the directors sought to maximise shareholder value by delivering strategies to identify and then realise the value of the existing receivables. This was by focussed collection activity, making further cost reductions in the company, and by realising a 'known cost' collection platform with the third party provider. A successful transfer to the third party servicer took place on 20 November 2010. Customers who fall into late arrears and shortfall however continue to be serviced by BCTH by the highly experienced residual team. All cash flows from these collections will still flow to the senior lenders until they are fully repaid. At 31 March 2011 we expect the outstanding senior borrowing to be in the region of £35m subject to the cash flow projections and general economic environment.

With the Group now in a 'run off' status the directors have to decide whether to use the going concern basis in preparing these financial statements, including

- 1 cash flow projections for the next 12 months from the date of approval of these financial statements
- 2 the continued support provided by Citigroup Capital UK Limited (via a Letter of Comfort to the Board)

Whilst these two factors are strong, as the Group is now in a 'run off' situation with significant downsizing of infrastructure and personnel, the directors have decided that a 'non-going concern' basis would be the most suitable. Hence the accounts are prepared on that basis.

BRITISH CREDIT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES - continued

Going concern basis of preparation- continued

In compiling the financial statements on a non going concern (break-up) basis the directors have recognised its own self funded portfolio and its subordinated debts within the SPEs at their net realisable value, increasing its self funded portfolio by £4.6m and impairing its subordinated debt by £2.3m, after discounting for the time value of money. These are dependent upon the third party servicer collection performance being at least on a par with BCTH previously, the success of the facility renegotiations of the SPEs that expire on 31 March 2011, and the macro economic climate as there is a degree of uncertainty involved in estimating future cash flows and there remains a risk that these values would not be realised.

Although there is a material uncertainty in relation to renegotiating the Group's funding facilities which expire on 31 March 2011, should the facilities be renewed to match the portfolio run off, the directors are of the opinion that the company will be able to meet all of its non group related financial obligations based on current forecasts and assumptions. The directors are unaware of any reason why the facilities should not be renewed. Such projections forecast net cash generated from the portfolio net of any costs of collection, however, there is a degree of uncertainty involved in estimating future cash flows and there is always, given the macro economic climate, a risk primary lenders may not be repaid in full. The funding subsidiaries as structured vehicles are bankruptcy remote and in such a case the company is forecast to still be able to pay its obligations as they fall due. The directors have recently received confirmation from the banks that there is every likelihood that they will discuss an extension in the near future albeit there is no certainty to the success or otherwise of those discussions.

2 STAFF COSTS

There were no staff costs for the year ended 31 March 2010. The company had no employees during the year (2009: none).

3 OPERATING PROFIT/ (LOSS)

The operating profit (2009 - operating loss) is stated after charging/(crediting)

	2010	2009
	£	£
Audit fee	23,265	19,300
Interest expense included in cost of sales	-	414,390
Management charge paid to related parties	7,800,000	7,800,000
Reversal of Impairment losses (2009: impairment) on hire purchase loans including capital write-off and recourse provision	(3,054,886)	46,088,716
Impairment of inter company loan	4,806,394	-
Deferred introducer commission (credit)/ expensed	(220,571)	23,613,685
Deferred consideration receivable from group companies	<u>(5,009,374)</u>	<u>(39,823,904)</u>
Directors' remuneration	<u>-</u>	<u>-</u>

Directors' emoluments were nil for the year ended 31 March 2010 (2009: £Nil). The directors do not receive emoluments from the Company as they carry out their duties as part of their responsibilities to the group as a whole and receive no emoluments in respect of their services to this Company. Therefore no apportionment of their emoluments has been done.

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010**

4 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax:		
UK Corporation tax on profit / (loss) of the period	<u>(280)</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>(280)</u>	<u>-</u>

UK corporation tax has been charged at 28%

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	<u>1,689,524</u>	<u>(40,491,241)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	473,066	(11,337,547)
Effects of		
Expenses not deductible for tax purposes	1,345,790	116,029
Group relief adjustments	(280)	260
Losses arising in the year carried forward	-	11,221,258
Utilisation of tax losses	<u>(1,818,856)</u>	<u>-</u>
Current tax credit for the period	<u>(280)</u>	<u>-</u>

5 DEBTORS

	2010 £	2009 £
Amounts falling due within one year		
Amounts owed by group undertakings and SPE's	11,015,211	11,240,039
Amounts receivable in respect of hire purchase contracts	3,984,943	6,765,233
Other debtors	32,544	-
Prepayments	<u>29,235</u>	<u>50,003</u>
	<u>15,061,933</u>	<u>18,055,275</u>
Amounts falling due after more than one year		
Amounts receivable in respect of hire purchase contracts	<u>2,971,384</u>	<u>-</u>
	<u>2,971,384</u>	<u>-</u>
Aggregate amounts	<u>18,033,317</u>	<u>18,055,275</u>

During the year, a formal legal arrangement has been entered into with BCTH in respect of the amounts owed by them. All new draw downs on this facility are on a secured basis. Following a review of the expected recoverability of the amounts owed by Group undertakings, £4,806,394 (2009: £nil) has been waived.

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010**

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Borrowings owed to group undertakings (see note 7)	20,269,884	20,269,884
Accrued expenses	<u>569,570</u>	<u>1,103,590</u>
	<u><u>20,839,454</u></u>	<u><u>21,373,474</u></u>

Amounts owed to Group undertakings are unsecured and do not bear interests

7 LOANS

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Warehouse facility	<u>20,269,884</u>	<u>20,269,884</u>

The warehouse facility provided by Citigroup Capital UK Limited, is secured by fixed and floating charges over the assets of the Company by way of a debenture

8 PROVISIONS FOR LIABILITIES

Deferred taxation

There is an unrecognised deferred tax asset, made up as follows

	2010 £	2009 £
Corporation tax losses carried forward and other timing differences	<u>13,302,413</u>	<u>15,121,270</u>
	<u><u>13,302,413</u></u>	<u><u>15,121,270</u></u>

The potential deferred tax asset has not been recognised on the grounds that there is presently insufficient evidence to suggest that the asset is more likely than not to be recovered for the foreseeable future based on the current economic outlook

The movement in the unrecognised deferred tax asset during the year is as follows

	£
Unrecognised deferred tax asset at the beginning of year	15,121,270
Losses utilised in the year	<u>(1,818,857)</u>
Unrecognised deferred tax asset at year end	<u><u>13,302,413</u></u>

9 CALLED UP SHARE CAPITAL

Allotted and fully paid Number	Class	Nominal value	2010 £	2009 £
60,700,102	Ordinary	£1	<u>60,700,102</u>	<u>60,700,102</u>

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
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10 RESERVES

	Profit and loss account £	Share premium account £	Totals £
At 1 April 2009	(63,303,916)	3,499,900	(59,804,016)
Profit for the financial year	<u>1,689,804</u>		<u>1,689,804</u>
At 31 March 2010	<u>(61,614,112)</u>	<u>3,499,900</u>	<u>(58,114,212)</u>

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit/ (loss) for the financial year	1,689,804	(40,491,241)
Share issue	<u>-</u>	<u>53,000,000</u>
Net addition to shareholders' funds	1,689,804	12,508,759
Opening shareholders' funds (2009 deficit)	<u>896,086</u>	<u>(11,612,673)</u>
Closing shareholders' funds	<u>2,585,890</u>	<u>896,086</u>

12 CONTINGENT LIABILITY

A debenture was created on 4 September 1998 providing a charge over certain of the company's assets which, together with British Credit Trust Holdings Limited and British Credit Trust Collections Limited, secures the obligations of the British Credit Trust Holdings Limited working capital loans

13 DEBENTURES

The Company has the following partially satisfied debenture registered against it

To Citigroup Capital UK Limited, by way of fixed security, all its rights, title and interest in all its assets and existing loans to customers, securing all monies due or to become due from British Credit Trust Holdings Limited

14 POST BALANCE SHEET EVENTS

On 1 April 2010 the BCT group was further refinanced as described in Note 1 above and this further extended the maturity of this funding to 31 March 2011

During the year the group also sought to raise new investment to fund a new market and credit strategy and to take advantage of the lack of market supply of new business. The proposed new credit and market approach was well received by brokers, dealers, and funders alike. The exercise was successful in obtaining significant offers of interest from all classes of investor. The directors and the shareholders however decided not to pursue the investment given the final indicative terms and as a result, after the year end, the directors decided, that in pursuit of maximising shareholder value, to service existing accounts through a third party servicer who could provide a fixed cost collection service on the accounts. Accordingly the service transfer took place on 20 November 2010.

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010**

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is British Credit Trust Holdings Limited. Citigroup Capital UK Limited holds warrants to subscribe for ordinary shares in Consumer Finance Acquisitions Co. Limited, an intermediate parent of the Company, which, on exercise, would make it the majority shareholder. Consequently the Directors consider that Citigroup Capital UK Limited has effective control of the Company.

The parent undertaking of the smallest and largest group that presents consolidated financial statements including the results of the company are Consumer Finance Acquisition Co. Limited and Citigroup Capital Investments UK Limited (until 30 March 2010, Citigroup Capital Hold Co UK Limited formerly NPIL Hold Co Limited) respectively, both companies are registered in England. COHM Overseas Holdings Mexico, SRL de CV, a company incorporated in Mexico, is the immediate parent company of Citigroup Capital Investments UK Limited. Until 30 March 2010, Citigroup Japan Holdings Corp, the parent company of Citigroup Capital Hold Co UK Limited and a company incorporated in Japan, was the intermediate parent company. The ultimate parent company has continued to be Citigroup Inc.

Copies of the financial statements of Consumer Finance Acquisitions Co. Limited are available from the Company Secretary, Linnells Secretarial Services Limited, Seacourt Tower, West Way, Oxford, OX2 0FB and those of Citigroup Capital Investments UK Limited are available from the Company Secretary, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. Copies of the financial statements of Citigroup Inc are available on request from Citigroup Inc, 399 Park Avenue, New York, NY 10043, USA.