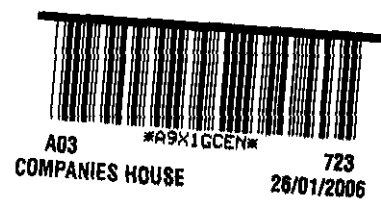


A & L CF MARCH (7) LIMITED
FINANCIAL STATEMENTS
31 MARCH 2005



Company Registration Number 5085910

A & L CF MARCH (7) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

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A & L CF MARCH (7) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

M W Evans
C R Morley
A B Swann
R L Towers

COMPANY SECRETARY

I Sinclair-Ford

REGISTERED OFFICE

298 Deansgate
Manchester
M3 4HH

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
& Registered Auditors
Manchester

BANK

Alliance & Leicester Commercial Bank plc
Bridle Road
Bootle
Merseyside
GIR 0AA

A & L CF MARCH (7) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

The directors present their report and the audited financial statements of the company for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be that of lessors and financiers, principally high value assets to the commercial sector.

New business written in the year is disclosed in note 2 of the attached financial statements.

The future prospects of the company are considered satisfactory.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend (period to 31 March 2004 - £ Nil).

DIRECTORS

The directors who served the company throughout the year were as follows:

M W Evans

C R Morley

R L Towers

A B Swann

(Appointed 1 August 2004)

None of the directors holds any beneficial interest in the shares or debentures of this company. The directors of this company are also directors of the immediate parent company and their interests in other group companies are shown in that company's accounts.

AUDITORS

The company has by elective resolution, dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Deloitte & Touche LLP, will be deemed to be re-appointed for each succeeding year.

Signed on behalf of the directors



C R Morley
Director

Approved by the directors on 20 January 2006

A & L CF MARCH (7) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2005

United Kingdom Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 8 to 9, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records 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 1985. The directors are also responsible for establishing and maintaining systems of internal control, for the safeguarding of 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 MARCH (7) LIMITED

We have audited the financial statements of A & L CF March (7) Limited for the year ended 31 March 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
A & L CF MARCH (7) LIMITED (CONTINUED)**

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester

25/1/06

A & L CF MARCH (7) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2005

	Note	Year to 31 Mar 05 £	Period from 26 Mar 04 to 31 Mar 04 £
Turnover	2	10,842	32
Administrative expenses		(1,313)	(2,238)
Operating profit/(loss)		<u>9,529</u>	<u>(2,206)</u>
Interest payable and similar charges	5	(7,881)	(22)
Profit/(loss) on ordinary activities before taxation		<u>1,648</u>	<u>(2,228)</u>
Tax on profit/(loss) on ordinary activities	6	(494)	668
Retained profit/(loss) for the financial year	13	<u>1,154</u>	<u>(1,560)</u>
Balance brought forward		(1,560)	—
Balance carried forward		<u>(406)</u>	<u>(1,560)</u>

All of the activities of the company are classed as continuing.

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £1,154 attributable to the shareholders for the year ended 31 March 2005 (period to 31 March 2004 - loss of £1,560).

The notes on page 6 form part of these financial statements.


A & L CF MARCH (7) LIMITED

BALANCE SHEET

31 MARCH 2005

	Note	£	2005 £	£	2004 £
Current assets					
Debtors due within one year	7	31,709		32,192	
Debtors due after one year	7	107,928		139,608	
		<u>139,637</u>		<u>171,800</u>	
Creditors: Amounts falling due within one year	9	<u>(135,314)</u>		<u>(173,359)</u>	
Net current assets/(liabilities)			4,323		(1,559)
Total assets less current liabilities			<u>4,323</u>		<u>(1,559)</u>
Provisions for liabilities and charges					
Deferred taxation	10		<u>(4,728)</u>		<u>—</u>
Net liabilities			<u>(405)</u>		<u>(1,559)</u>
Capital and reserves					
Called-up equity share capital	12		1		1
Profit and loss account			<u>(406)</u>		<u>(1,560)</u>
Equity shareholders' deficit	13		<u>(405)</u>		<u>(1,559)</u>

These financial statements were approved by the directors on the 20 January 2006 and are signed on their behalf by:


C R Morley
Director

The notes on page 7 form part of these financial statements.

A & L CF MARCH (7) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards.

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding period.

The company has complied with the Statement of Recommended Practice on Accounting Issues in the Asset Finance and Leasing Industry, issued by the Finance and Leasing Association.

Cash flow statement

Under Financial Reporting Standard No 1 (revised 1996) "Cash flow statements" the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Related party transactions

The company has taken advantage of the exemption offered by Financial Reporting Standard 8 "Related party disclosures" and is therefore not required to disclose transactions with other group companies.

Finance and rental agreements

In accordance with Statement of Standard Accounting Practice No. 21, "Accounting for leases and hire purchase contracts", the minimum lease payments receivable from finance lease and other finance agreements, less appropriate future income arising from finance charges, are included in debtors.

Assets acquired for the purpose of renting out under operating lease agreements are capitalised and depreciated in accordance with the accounting policy set out below.

Turnover comprises:

Finance lease agreements: the income component of repayments which are credited to the profit and loss account using methods which produce a constant rate of return on the net cash investment.

Operating lease agreements: accounting rentals recognised on a straight line basis over the period of the lease.

Provisions for bad and doubtful debts: a charge equal to the losses written off in the year, recoveries and the movement in provisions.

Cost of sales relates to:

Operating lease agreements: depreciation of operating lease assets.

A & L CF MARCH (7) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. Accounting policies *(continued)*

Depreciation

Depreciation is provided on operating lease assets at rates calculated to write off the cost of the assets, less estimated residual value, over their useful economic lives using methods which allocate depreciation charges on a systematic basis to the periods which are expected to benefit from their use.

Operating lease assets are regularly reviewed for impairment in accordance with Financial Reporting Standard No 11 "Impairment of fixed assets and goodwill". When an asset's carrying value has been impaired the amount is charged to the profit and loss account in the year of impairment.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

Provisions for bad and doubtful debts

Specific provisions are made in respect of finance and rental agreements where recovery is considered doubtful; a general 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 profit and loss account comprises write offs, recoveries and the net movement in provisions in the year. The charge has been deducted from turnover.

A & L CF MARCH (7) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

2. Turnover

Amounts receivable during the year from which turnover and gross profit are derived is as follows:

	Year to 31 Mar 05 £	Period from 26 Mar 04 to 31 Mar 04 £
Amounts due on:		
Operating leases	-	-
Finance leases	40,304	219
	<u>40,304</u>	<u>219</u>

New business written in the year is as follows:

	Year to 31 Mar 05 £	Period from 26 Mar 04 to 31 Mar 04 £
Operating leases	-	-
Finance leases	-	178,500
	<u>-</u>	<u>178,500</u>

3. Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year or prior period.

The company had no employees in either the current year or the prior period.

The directors received no remuneration for their services to this company in either the current year or the prior period. 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 profit and loss account of this company.

4. Auditors' remuneration

Auditors' remuneration was borne by the immediate parent company, Alliance & Leicester Commercial Finance plc, in both the current year and the prior period.

A & L CF MARCH (7) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

5. Interest payable and similar charges

	Year to	Period from
	31 Mar 05	26 Mar 04 to
	£	31 Mar 04
Amounts payable to immediate parent undertaking	<u>7,881</u>	<u>22</u>

6. Tax on profit/(loss) on ordinary activities

(a) Analysis of charge in the year

	Year to	Period from
	31 Mar 05	26 Mar 04 to
	£	31 Mar 04
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (31 Mar 04 - 30%)	(4,124)	2,151
(Over)/under provision in prior period	(2,929)	—
Total current tax charge/(credit)	<u>(7,053)</u>	<u>2,151</u>
Deferred tax:		
Origination and reversal of timing differences	4,618	(2,819)
Under provision in respect of prior periods	2,929	—
Total deferred tax charge/(credit) (note 10)	<u>7,547</u>	<u>(2,819)</u>
Tax on profit/(loss) on ordinary activities	<u>494</u>	<u>(668)</u>

A & L CF MARCH (7) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

6. Tax on profit/(loss) on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	Year to 31 Mar 05 £	Period from 26 Mar 04 to 31 Mar 04 £
Profit/(loss) on ordinary activities before taxation	<u>1,648</u>	<u>(2,228)</u>
Profit/(loss) on ordinary activities by rate of tax	494	(668)
Capital allowances (in excess of)/less than taxable lease receipts	(4,618)	2,819
Over provision in prior period	<u>(2,929)</u>	<u>-</u>
Total current tax (note 6(a))	<u>(7,053)</u>	<u>2,151</u>

7. Debtors

	2005 £	2004 £
Net investment in finance agreements (note 8)	139,637	168,981
Deferred taxation (note 10)	-	2,819
	<u>139,637</u>	<u>171,800</u>

The debtors above include the following amounts falling due after more than one year:

	2005 £	2004 £
Net investment in finance agreements	<u>107,928</u>	<u>139,608</u>

8. Finance agreements

	2005 £	2004 £
Net investment in finance agreements	<u>139,637</u>	<u>168,981</u>

9. Creditors: Amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	<u>135,314</u>	<u>173,359</u>

A & L CF MARCH (7) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

10. Deferred taxation

	2005 £	2004 £
The movement in the deferred taxation account during the year/period was:		
Balance brought forward	(2,819)	—
Profit and loss account movement arising during the year/period (note 6)	7,547	(2,819)
Balance carried forward	<u>4,728</u>	<u>(2,819)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Capital allowances in excess of/(less than) taxable lease receipts	4,728	(2,819)
	<u>4,728</u>	<u>(2,819)</u>

11. Related party transactions

The company has taken advantage of the exemption offered by Financial Reporting Standard 8 "Related party disclosures" and is therefore not required to disclose transactions with other group companies.

12. Share capital

Authorised share capital:

	2005 £	2004 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	No	2005 £	No	2004 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

13. Reconciliation of movements in equity shareholders' deficit

	2005 £	2004 £
Profit/(Loss) for the financial year/period	1,154	(1,560)
New equity share capital subscribed	—	1
Net addition/(reduction) to funds	<u>1,154</u>	<u>(1,559)</u>
Opening equity shareholders' deficit	(1,559)	—
Closing equity shareholders' deficit	<u>(405)</u>	<u>(1,559)</u>

A & L CF MARCH (7) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

14. Ultimate parent company

The immediate parent company, Alliance & Leicester Commercial Finance plc, is a subsidiary of Alliance & Leicester plc which is the controlling party and ultimate parent undertaking incorporated in England and Wales.

The largest Group in which the results of the company are consolidated is that headed by Alliance & Leicester plc. The consolidated accounts of this Group are available to the public and may be obtained from Carlton Park, Narborough, Leicester, LE19 0AL.

The smallest Group in which they are consolidated is that headed by Alliance & Leicester Commercial Finance plc, a company incorporated in England and Wales. The consolidated accounts of this Group are available to the public and may be obtained from 298 Deansgate, Manchester, M3 4HH.