

ACR
DIRECTORS' REPORT & FINANCIAL STATEMENTS
31 DECEMBER 2010



ACR
YEAR ENDED 31 DECEMBER 2010

CORPORATE INFORMATION

DIRECTORS

S Cook
M Nimmo

SECRETARY

K Balinska-Jundzill

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

BANKERS

Societe Générale
SG House
41 Tower Hill
London
EC3N 4SG

REGISTERED OFFICE &
PRINCIPAL PLACE OF BUSINESS

SG House
41 Tower Hill
London
EC3N 4SG

ACR
YEAR ENDED 31 DECEMBER 2010

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of ACR is as an investment company, providing finance to subsidiaries of Société Générale Investments (U K) Limited

The company registration number is 00985677

The company holds an investment of £90,000,000 in preference shares which it subscribed to in SG Leasing (December) Limited

The directors consider the results for the year to be satisfactory and expect the current level of business to be sustained for the foreseeable future. The company will continue to administer its portfolio of assets to increase profitability.

The directors' report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

RESULTS AND DIVIDENDS

The company made a profit on ordinary activities after taxation for the year of £860,298 (2009 £2,104,139). The results for the year are set out on page 6.

The directors proposed a final dividend to be paid of 0.66 pence per share amounting to £832,462 on 18 January 2011 (2009 £2,258,731).

DIRECTORS

The directors who served during the period were

S Cook
P Dickinson (resigned 2 August 2010)
M Nimmo

FINANCIAL RISK MANAGEMENT

The company's principal risk is financial risk which it is exposed to through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit, liquidity and cash flow risk. The risks relating to liquidity and cash flow are mitigated by the routine monitoring of key management information. Credit risk is monitored by the risk department with Société Générale. They regularly monitor the credit worthiness of clients and will advise the relevant officer in charge of the exposure if there is any deterioration in the credit status.

ACR
YEAR ENDED 31 DECEMBER 2010

REPORT OF THE DIRECTORS (Continued)

LIABILITY INSURANCE FOR COMPANY OFFICERS

The company has taken out liability insurance as permitted under Part 10 of the Companies Act 2006 to cover directors and officers

GOING CONCERN

The Company has adequate availability of financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DISCLOSURE OF INFORMATION PROVIDED TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

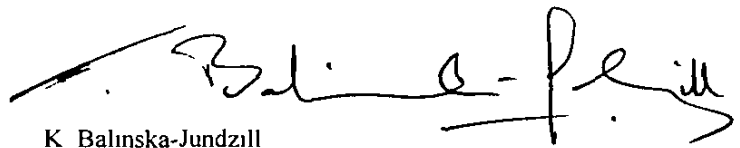
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

APPOINTMENT OF AUDITORS

Ernst & Young LLP were appointed and they have expressed their willingness to continue in office. A resolution to reappoint them as auditors of the Company will be proposed at the forthcoming SG Group Annual General Meeting.

By order of the Board,

29 September 2011


K. Balinska-Jundzill
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report 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 judgments 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.

ACR
YEAR ENDED 31 DECEMBER 2010

Independent auditors' report to the members of ACR

We have audited the financial statements of ACR for the year ended 31 December 2010 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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).

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 auditor's 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 (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 (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 31 December 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.

Opinion on other matters 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.

Ernst & Young LLP

Simon Michaelson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Accountants and Statutory Auditors
London

29 September 2011

ACR
YEAR ENDED 31 DECEMBER 2010

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2010

	<u>Notes</u>	<u>2010</u> <u>£</u>	<u>2009</u> <u>£</u>
Interest receivable - preference shares	2	844,849	2,081,759
Interest receivable - loans	3b	658,401	2,788,942
Interest payable - loans	3c	(644,138)	(2,772,548)
Gross margin		859,112	2,098,153
Interest payable - other	3c	-	(2)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	859,112	2,098,151
Tax on ordinary activities	4	1,186	5,988
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		860,298	2,104,139

All amounts relate to continuing activities

The reconciliation of movements in shareholders' funds can be found in note 12 to the financial statements and the statement of movements in reserves in note 11

The company had no recognised gains or losses in the current year other than the profit for the financial period shown above (2009 £nil) and therefore a statement of total recognised gains and losses has not been prepared

ACR
YEAR ENDED 31 DECEMBER 2010

BALANCE SHEET

As at 31 December 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>£</u>	<u>£</u>
NON CURRENT ASSETS			
Investments	5	90,000,000	90,000,000
Debtors	6	19,185,545	62,750,111
CURRENT ASSETS			
Debtors	7	6,398,561	32,608,416
Cash and cash equivalents		3,933,105	3,081,550
		<u>10,331,666</u>	<u>35,689,966</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(6,331,147)</u>	<u>(32,549,745)</u>
NET CURRENT ASSETS		<u>4,000,519</u>	<u>3,140,221</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>113,186,064</u>	<u>155,890,332</u>
LONG TERM CREDITORS	9	<u>(19,185,545)</u>	<u>(62,750,111)</u>
NET ASSETS		<u><u>94,000,519</u></u>	<u><u>93,140,221</u></u>
CAPITAL AND RESERVES			
Called-up share capital	10	1,269,160	1,269,160
Share Premium	11	86,840,000	86,840,000
Profit and loss account	11	5,891,359	5,031,061
SHAREHOLDERS' FUNDS	12	<u><u>94,000,519</u></u>	<u><u>93,140,221</u></u>

Approved by the Board of Directors and authorised for issue on 29 September 2011 and signed on its behalf by



Director

M Nimmo

The notes on pages 8 and 13 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding year, is set out below

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom law and accounting standards and on a going concern basis

(b) Revenue

Revenue comprises interest income earned on loan financing facilities. Interest income is attributable to continuing activities within the United Kingdom and accounted for on an accruals basis

(c) Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

(d) Cash flow statement

Under the provisions of Financial Reporting Standard 1 Cash Flow Statements (Revised 1996), the company has not prepared a cash flow statement because its ultimate parent undertaking, Société Générale produces consolidated financial statements, which contain a cash flow statement and are publicly available

(e) Related party disclosures

As the company is a wholly owned subsidiary of Societe Generale Investments (U K) Limited, the company has taken advantage of the exemption contained in 3 (c) of Financial Reporting Standard 8 'Related Party Disclosures' and therefore has not disclosed transactions with entities which form part of the group (or investees of the group qualifying as related parties). There are no other related party transactions or balances requiring disclosure

(f) Investments

Investments are accounted for using the cost method of accounting less provision for any impairment

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES (Continued)

(h) Impairment

An impairment loss is recognised in the income statement when there is objective evidence that the financial asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cashflows discounted at the effective interest rate computed at the initial recognition

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the asset at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised

2 INTEREST RECEIVABLE – PREFERENCE SHARES

	<u>2010</u> £	<u>2009</u> £
Interest receivable on preference shares	844,849	2,081,759
	<u>844,849</u>	<u>2,081,759</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after (charging) / crediting

	<u>2010</u> £	<u>2009</u> £
(a) Auditors' remuneration - audit work Audit fees of £12,000 (2009 £9,450) are paid by the ultimate parent company, Societe Générale	-	-
(b) Interest receivable All interest was receivable from group companies during the year	658,401	2,788,942
(c) Interest payable All interest was payable to group companies during the year	(644,138)	(2,772,550)

NOTES TO THE FINANCIAL STATEMENTS

4 TAXATION

The taxation credit based on the profit for the year comprises

a) Analysis of the tax credit for the year

	<u>2010</u> £	<u>2009</u> £
Corporation tax (Group Relief)		
Corporation tax credit /(charge) for the year	1,186	(124)
Corporation tax adjustment in respect of prior periods	-	6,112
	<u>1,186</u>	<u>5,988</u>
Tax credit on profit on ordinary activities	<u>1,186</u>	<u>5,988</u>

b) Factors affecting the tax credit for the year

	<u>2010</u> £	<u>2009</u> £
Profit on ordinary activities before taxation	<u>859,112</u>	<u>2,098,151</u>
Tax on profit on ordinary activities at standard rate of 28% (2009 28%)	(240,551)	(587,482)
Factors affecting the credit		
Non-taxable credits	241,737	587,358
Adjustments in respect of prior periods	-	6,112
	<u>1,186</u>	<u>5,988</u>

5 INVESTMENTS

The company has an investment in the following group undertaking

	<u>Country of</u> <u>Incorporation</u>	<u>Holding</u>	<u>%</u>
SG Leasing (December) Limited	Great Britain	Preference shares	100%
	<u>2010</u> £	<u>2009</u> £	
Cost at beginning of year	90,000,000	90,000,000	
Additions during the year	-	-	
	<u>90,000,000</u>	<u>90,000,000</u>	
Cost at the end of the year	<u>90,000,000</u>	<u>90,000,000</u>	

NOTES TO THE FINANCIAL STATEMENTS

5 INVESTMENTS (Continued)

The company holds an investment of 90,000,000 cumulative, non-redeemable preference shares of £1 each in SG Leasing (December) Limited

Preferential dividends shall accrue pro rata on the basis of a 365 day year and shall, subject to profits being available for distribution, be receivable every six months in arrears on 5 June and 5 December (or if such date is not a business day on the next following business day) of each year in respect of the relevant dividend period. The preferential dividend shall be paid to the holders of the preference shares at the prevailing coupon rate.

6 DEBTORS AMOUNTS FALLING DUE AFTER ONE YEAR

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Amounts due from group undertakings	19,185,545	62,750,111
	<u>19,185,545</u>	<u>62,750,111</u>

7 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2010</u>	<u>2011</u>
	<u>£</u>	<u>£</u>
Amounts due from group undertakings	6,335,687	32,387,917
Interest receivable from group undertakings	59,815	211,942
Corporation Tax (Group Relief)	3,059	8,557
	<u>6,398,561</u>	<u>32,608,416</u>

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Amounts due to group undertakings	6,271,539	32,387,917
Interest payable to group undertakings	59,608	161,828
	<u>6,331,147</u>	<u>32,549,745</u>

NOTES TO THE FINANCIAL STATEMENTS

9 CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	<u>2010</u> <u>£</u>	<u>2009</u> <u>£</u>
Amounts due to group undertakings	19,185,545	62,750,111
	<u>19,185,545</u>	<u>62,750,111</u>

10 SHARE CAPITAL

	<u>2010</u> <u>£</u>	<u>2009</u> <u>£</u>
Authorised 1,500,000 ordinary shares of £1 each	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called-up and fully paid 1,269,160 ordinary shares of £1 each	1,269,160	1,269,160
	<u>1,269,160</u>	<u>1,269,160</u>

11 STATEMENT OF MOVEMENTS IN RESERVES

	<u>Share</u> <u>Premium</u> <u>£</u>	<u>Profit and</u> <u>Loss account</u> <u>£</u>	<u>Total</u> <u>£</u>
Balance as at 1 January 2009	86,840,000	5,185,653	92,025,653
Profit for the year	-	2,104,139	2,104,139
Dividends paid	-	(2,258,731)	(2,258,731)
	<u>86,840,000</u>	<u>5,031,061</u>	<u>91,871,061</u>
Balance as at 31 December 2009	86,840,000	5,031,061	91,871,061
Profit for the year	-	860,298	860,298
Dividends paid	-	-	-
	<u>86,840,000</u>	<u>5,891,359</u>	<u>92,731,359</u>

NOTES TO THE FINANCIAL STATEMENTS

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2010</u> £	<u>2009</u> £
Profit for the year	860,298	2,104,139
Net increase in shareholders' funds	860,298	2,104,139
Dividends paid	-	(2,258,731)
Shareholders' funds brought forward	93,140,221	93,294,813
Shareholders' funds carried forward	94,000,519	93,140,221

13 EMPLOYEES COST AND DIRECTORS' EMOLUMENTS

The directors received no emoluments for services to the company or Soci t  G n rale Investments (U K) Limited during the year (2009 £nil)

None of the directors had any material interest in any contract in relation to the business of the company

The company does not have any employees for 2010 and 2009 All personnel who perform services are employed and remunerated by Soci t  G n rale London Branch

14 HOLDING AND CONTROLLING COMPANY

The company is a subsidiary of Soci t  G n rale Investments (U K) Limited Soci t  G n rale Investments (U K) Limited is incorporated in Great Britain and registered in England and Wales

The company's ultimate holding company, controlling party and parent of the smallest and largest group for which group accounts are prepared is Soci t  G n rale, which is incorporated in France Copies of the group accounts of Soci t  Generale are available from the registered office at 29, Boulevard Haussmann, 75009 Paris, France