ACR

DIRECTORS' REPORT & FINANCIAL STATEMENTS

31 DECEMBER 2012

COMPANY REGISTRATION NO. 00985677

ACR
YEAR ENDED 31 DECEMBER 2012

CORPORATE INFORMATION

DIRECTORS

S Cook
M Nimmo

SECRETARY

K Balinska-Jundzill

AUDITORS

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

BANKERS

Société Générale
SG House
41 Tower Hill
London
EC3N 4SG

REGISTERED OFFICE &
PRINCIPAL PLACE OF BUSINESS

SG House
41 Tower Hill
London
EC3N 4SG

REPORT OF THE DIRECTORS

The dırectors have pleasure ın submıttıng theır report together wıth the financıal statements for the year ended 31 December 2012

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The prıncıpal actıvıty of ACR ıs as an ınvestment company, provıdıng finance to subsıdıarıes of Socıété Générale Investments (U K) Lımıted

The company regıstratıon number ıs 00985677

The company holds an ınvestment of £90,000,000 ın preference shares whıch ıt subscrıbed to ın SG Leasıng (December) Lımıted

The dırectors consıder the results for the year to be satısfactory and expect the current level of busıness to be sustaıned for the foreseeable future The company wıll contınue to admınıster ıts portfolıo of assets to ıncrease profitabılıty

The dırectors' report has been prepared ın accordance wıth the specıal provısıons relatıng to small companıes under Part 15 of the Companıes Act 2006

RESULTS AND DIVIDENDS

The company made a profit on ordınary actıvıtıes after taxatıon for the year of £1,160,346 (2011 £1,002,609) The results for the year are set out on page 7

The dırectors proposed a final dıvıdend to be paıd for 2011 of 320 pence per share amountıng to £4,065,298 on 24 February 2012 and an ınterım dıvıdend for 2012 of 94 pence per share amountıng to £1,196,000 on the 12 December 2012 (2011 £832,462)

DIRECTORS

The dırectors who served durıng the perıod were

S Cook
M Nımmo

FINANCIAL RISK MANAGEMENT

The company's prıncıpal rısk ıs financıal rısk whıch ıt ıs exposed to through ıts financıal assets and lıabılıtıes The key financıal rısk ıs that the proceeds from financıal assets are not suffıcıent to fund the oblıgatıons arısıng from lıabılıtıes as they fall due The most ımportant components of financıal rısk are ınterest rate rısk, currency rısk, credıt rısk, lıquıdıty rısk, cash flow rısk and prıce rısk Due to the nature of the company's busıness and the assets and lıabılıtıes contaıned wıthın the company's balance sheet the only financıal rısks the dırectors consıder relevant to thıs company are credıt, lıquıdıty and cash flow rısk The rısks relatıng to lıquıdıty and cash flow are mıtıgated by the routıne monıtorıng of key management ınformatıon Credıt rısk ıs monıtored by the rısk department wıth Socıété Genérale They regularly monıtor the credıt worthıness of clıents and wıll advıse the relevant officer ın charge of the exposure ıf there ıs any deterıoratıon ın the credıt status

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,

K Balinska-Jundzill
Secretary

3 May 2013

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

Independent auditors' report to the members of ACR

We have audited the financial statements of ACR for the year ended 31 December 2012 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 and express an opinion on 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 In addition, we read all the financial and non-financial information in the Directors Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2012 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the director's report

Ernst & Young LLP

James Bateman (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Statutory Auditor
London
3 May 2013

ACR
YEAR ENDED 31 DECEMBER 2012

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2012

	Notes	2012	2011
		£	£
Interest receivable - preference shares	2	1,150,493	984,266
Interest receivable - loans	3b	1,059,158	580,455
Interest payable - loans	3c	(1,050,149)	(559,553)
Gross profit		1,159,502	1,005,168
Other operating expenses		(102)	(92)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,159,400	1,005,076
Tax on ordinary activities	4	946	(2,467)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,160,346	1,002,609

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 (2011 £nil) and therefore a statement of total recognised gains and losses has not been prepared

There is no difference between the reported profit on ordinary activities before taxation and the historical cost profit on ordinary activities before taxation (2011 £nil)

ACR
YEAR ENDED 31 DECEMBER 2012

BALANCE SHEET

As at 31 December 2012

	Notes	2012 £	2012 £	2011 £	2011 £
NON CURRENT ASSETS					
Investments	5		90,000,000		90,000,000
Debtors	6		21,691,431		12,400,000
CURRENT ASSETS					
Debtors	7	849,934		19,395,716	
Cash and cash equivalents		24,096		4,076,166	
		874,030		23,471,882	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(804,316)		(19,301,216)	
NET CURRENT ASSETS			69,714		4,170,666
TOTAL ASSETS LESS CURRENT LIABILITIES			111,761,145		106,570,666
LONG TERM CREDITORS	9		(21,691,431)		(12,400,000)
NET ASSETS			90,069,714		94,170,666
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		1,960,554		6,061,506
SHAREHOLDERS' FUNDS	12		90,069,714		94,170,666

Approved by the Board of Directors and authorised for issue on 3 May 2013 and signed on its behalf by

Director S Cook

The notes on pages 9 and 14 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

The company has not adopted FRS 26 - Financial Instruments recognition and measurement as it has applied the special provisions relating to small companies under Part 15 of the Companies Act 2006

(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 (Revised 1996), the company has not prepared a cash flow statement because it is a wholly owned subsidiary of Sociéte Genérale who produces consolidated financial statements which contain a cash flow statement that is publicly available

(e) Related party disclosures

As the company is a wholly owned subsidiary of Société Générale 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 TURNOVER

	2012 £	2011 £
Interest receivable on preference shares	1,150,493	984,266
	1,150,493	984,266

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2012 £	2011 £
(a) Auditors' remuneration - audit work Audit fees of £5,000 (2011 £5,000) are paid by the ultimate parent company, Sociéte Genérale	-	-
(b) Interest receivable All interest was receivable from group companies during the year	1,059,158	580,455
(c) Interest payable All interest was payable to group companies during the year	(1,050,149)	(559,553)

NOTES TO THE FINANCIAL STATEMENTS

4 TAXATION

The taxation credit / (charge) based on the profit for the year comprises

a) Tax credit / (charge) on profit on ordinary activities

	2012 £	2011 £
Corporation tax (Group Relief)		
Corporation tax credit / (charge) for the year	635	(2,466)
Corporation tax adjustment in respect of prior periods	311	(1)
Tax credit / (charge) on profit on ordinary activities	946	(2,467)

b) Factors affecting the tax credit / (charge) for the year

	2012 £	2011 £
Profit on ordinary activities before taxation	1,159,400	1,005,076
Tax on profit on ordinary activities at standard rate of 24 5% (2011 26 49%)	(284,019)	(266,275)
Factors affecting the credit / (charge)		
Non-taxable credits	284,654	263,809
Adjustments in respect of prior periods	311	(1)
	946	(2,467)

5 INVESTMENTS

The company has an investment in the following group undertaking

	Country of Incorporation	Holding	%
SG Leasing (December) Limited	Great Britain	Preference shares	100%

	2012 £	2011 £
Cost at beginning of year	90,000,000	90,000,000
Additions during the year	-	-
Cost at the end of the year	90,000,000	90,000,000

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

	2012	2011
	£	£
Amounts due from group undertakings	21,691,431	12,400,000
	21,691,431	12,400,000

7 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Amounts due from group undertakings	721,288	19,277,378
Interest receivable from group undertakings	126,462	113,200
Corporation Tax (Group Relief)	2,184	5,138
	849,934	19,395,716

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Amounts due to group undertakings	677,854	19,191,852
Interest payable to group undertakings	126,462	109,364
	804,316	19,301,216

NOTES TO THE FINANCIAL STATEMENTS

9 CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2012 £	2011 £
Amounts due to group undertakings	21,691,431	12,400,000
	21,691,431	12,400,000

10 SHARE CAPITAL

	2012 £	2011 £
Authorised		
1,500,000 ordinary shares of £1 each	1,500,000	1,500,000
	1,500,000	1,500,000
Allotted, called-up and fully paid		
1,269,160 ordinary shares of £1 each	1,269,160	1,269,160
	1,269,160	1,269,160

11 STATEMENT OF MOVEMENTS IN RESERVES

	Share Premium £	Profit and Loss account £	Total £
Balance as at 1 January 2011	86,840,000	5,891,359	92,731,359
Profit for the year	-	1,002,609	1,002,609
Dividends paid	-	(832,462)	(832,462)
Balance as at 31 December 2011	86,840,000	6,061,506	92,901,506
Profit for the year	-	1,160,346	1,160,346
Dividends paid	-	(5,261,298)	(5,261,298)
Balance as at 31 December 2012	86,840,000	1,960,554	88,800,554

NOTES TO THE FINANCIAL STATEMENTS

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the year	1,160,346	1,002,609
Net increase in shareholders' funds	1,160,346	1,002,609
Dividends paid	(5,261,298)	(832,462)
Shareholders' funds brought forward	94,170,666	94,000,519
Shareholders' funds carried forward	90,069,714	94,170,666

13 EMPLOYEES COST AND DIRECTORS' EMOLUMENTS

The directors received no emoluments for services to the company or Société Générale Investments (U K) Limited during the year (2011 £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 2012 and 2011 All personnel who perform services are employed and remunerated by Société Générale London Branch

14 HOLDING AND CONTROLLING COMPANY

The company is a subsidiary of Société Générale Investments (U K) Limited Société Générale 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 Société Générale, which is incorporated in France Copies of the group accounts of Société Générale are available from the registered office at 29, Boulevard Haussmann, 75009 Paris, France