

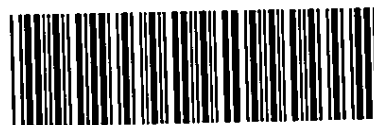
**MARYLEBONE COMMERCIAL FINANCE LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**Period ended 30 September 2006**

Company Registered No 1526238

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# **MARYLEBONE COMMERCIAL FINANCE LIMITED**

## **DIRECTORS' REPORT**

The directors submit their annual report and audited financial statements for the period from 15 September 2006 to 30 September 2006

## **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

### **Activities, objectives and strategy**

The principal activity of the Company during the period was the provision of leasing of commercial properties, commercial vehicles, plant and equipment

On 15 September 2006, the Company's entire authorised and issued share capital of 100 ordinary shares of £1 each was redesignated into 75 "A" Ordinary shares of £1 each and 25 "B" Ordinary shares of £1 each

The Company subsequently sold certain assets to Dresdner Leasing 1 S ar l The Company also purchased from a third party, certain equipment and rights under lease agreements in respect of that equipment

On 21 September 2006, the Company changed its name from A & L CF March (1) Limited to Marylebone Commercial Finance Limited

### **Performance and measurements**

Because the Company is managed as part of a global investment bank, there are few significant key performance indicators that are specific to the Company The Company reported a loss before tax of £50,805,059 for the period ended 30 September 2006 compared to profit of £2,627,173 in the prior period due mainly to a pre-tax loss on sale of lease assets of £45,010,846 After tax, the Company reported a profit of £57,664,709 compared to a profit of £1,839,022

### **Risk management**

The Company is exposed to risks such as credit and operational risks which are an inherent part of the leasing activities The Board places reliance on the Global Risk Management function within the Dresdner Bank AG group and receives regular reports on specific risks affecting the Company

## **SUBSEQUENT EVENTS**

On 13 December 2006, the Company entered into a Trade Sale Agreement with Dresdner Bank AG London Branch to sell the trade and business assets as part of an intra-group reorganisation

On 15 December 2006, the Company declared and paid an interim dividend of £19,435,531

## **RESULTS AND DIVIDENDS**

The results of the Company for the period are set out in detail on page 5

The directors do not recommend the payment of a final dividend for the period (period ended 14 September 2006 £nil) During the period no interim dividend was paid (period ended 14 September 2006 £14,775,000) The profit for the period of £57,664,709 (period ended 14 September 2006 £1,839,022) will be transferred to reserves

# MARYLEBONE COMMERCIAL FINANCE LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS

The directors who held office at the period end were as follows -

N G Aiken	(appointed 15 September 2006)
M C Beebee	(appointed 15 September 2006)
R A Birch	(appointed 15 September 2006)
H F J Fane de Salis	(appointed 15 September 2006)
A D Levy	(appointed 15 September 2006)
J D N Thomas	(appointed 15 September 2006)

On 15 September 2006, M W Evans, C R Morley, A B Swann, R L Towers and J C Marchant resigned as directors of the Company

Certain directors benefited from qualifying third party indemnity provisions in place during the period

### 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). The Company financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss 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 estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### AUDITORS

On 23 August 2007 Deloitte & Touche LLP resigned as auditors of the Company. KPMG Audit Plc have been appointed by the directors to fill the vacancy thus arising. The directors will take advantage of the Elective Resolution in accordance with section 379A of the Companies Act 1985 to dispense with the annual appointment of auditors. Accordingly, KPMG Audit Plc will remain in office.

Approved by the Board of Directors  
and signed on behalf of the Board

  
J C Wall  
Secretary

28 March 2008

## **MARYLEBONE COMMERCIAL FINANCE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARYLEBONE COMMERCIAL FINANCE LIMITED**

We have audited the financial statements of Marylebone Commercial Finance Limited for the period from 15 September 2006 to 30 September 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. 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 opinion we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of our audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Company's circumstances, 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.

**MARYLEBONE COMMERCIAL FINANCE LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARYLEBONE COMMERCIAL FINANCE LIMITED (continued)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2006 and of its profit for the period then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*  
*London*

31 March 2008

# MARYLEBONE COMMERCIAL FINANCE LIMITED

## PROFIT AND LOSS ACCOUNT

For the period from 15 September 2006 to 30 September 2006

	Note	Period from 15 September 2006 to 30 September 2006 £	Period from 1 April 2006 to 14 September 2006 £
Turnover	2	234,040	10,288,438
Loss on sale of lease assets		(45,010,846)	-
Cost of sales	3	(6,212,295)	(7,311,265)
<b>GROSS (LOSS) / PROFIT</b>		<b>(50,989,101)</b>	<b>2,977,173</b>
Administrative expenses	4	-	(350,000)
<b>OPERATING (LOSS) / PROFIT</b>		<b>(50,989,101)</b>	<b>2,627,173</b>
Interest receivable from an intermediate parent undertaking		184,042	-
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(50,805,059)</b>	<b>2,627,173</b>
Tax credit / (charge)	5	108,469,768	(788,151)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	11	<b>57,664,709</b>	<b>1,839,022</b>

All amounts stated above derive from discontinued activities. The Company has no recognised gains or losses for the current period or the preceding period other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

A statement showing the movements on reserves is set out in note 11 on page 12.

The accounting policies and notes on pages 8 to 12 form an integral part of these financial statements.

# MARYLEBONE COMMERCIAL FINANCE LIMITED

## BALANCE SHEET

As at 30 September 2006

	Note	30 September 2006 £	14 September 2006 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	-	2,569,046
<b>CURRENT ASSETS</b>			
Debtors - amounts falling due within one year	7	132,619,397	5,786,549
Debtors - amounts falling due after more than one year			
Net investment in finance leases		10,514,400	410,050,446
		<hr/>	<hr/>
		143,133,797	418,406,041
<b>CREDITORS: amounts falling due within one year</b>	8	(84,668,105)	(309,135,290)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		58,465,692	109,270,751
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	9	(477,080)	(108,946,848)
		<hr/>	<hr/>
<b>NET ASSETS</b>		57,988,612	323,903
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account	11	57,988,512	323,803
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	57,988,612	323,903
		<hr/>	<hr/>

The accounting policies and notes on pages 8 to 12 form an integral part of these financial statements

These financial statements on pages 5 to 12 were approved by the Board of Directors and signed on its behalf by



A D Levy  
Director

28 March 2008

# MARYLEBONE COMMERCIAL FINANCE LIMITED

## CASH FLOW STATEMENT

For the period ended 30 September 2006

	Note	Period from 15 September 2006 to 30 September 2006 £	Period from 1 April 2006 to 14 September 2006 £
Cash flow from operating activities	A	130,596,738	100,618,298
Financing	B	-	(78,996,422)
<b>Net cash flow for the period</b>		<b>130,596,738</b>	<b>21,621,876</b>

## NOTES TO THE CASHFLOW STATEMENT

	Period from 15 September 2006 to 30 September 2006 £	Period from 1 April 2006 to 14 September 2006 £
<b>A. Reconciliation of operating (loss) / profit to net cash flow from operating activities</b>		
Operating (loss) / profit	(50,989,101)	2,627,173
Changes in funding of leases	(224,526,906)	-
Decrease in debtors	406,053,024	109,070,543
Increase / (decrease) in creditors	59,721	(11,079,418)
<b>Net cash inflow from operating activities</b>	<b>130,596,738</b>	<b>100,618,298</b>

## B. Financing

Repayment of debt to parent undertaking	-	(78,996,422)
	-	(78,996,422)

## C. Analysis of net debt

	15 September 2006 £	Cash movements £	30 September 2006 £
Deposit repayable on demand with an intermediate parent undertaking	7,724	130,596,738	130,604,462
Debt falling due within one year	(309,135,290)	224,526,905	(84,608,385)
<b>Net (debt) / funds</b>	<b>(309,127,566)</b>	<b>355,123,643</b>	<b>45,996,077</b>

The accounting policies and notes on pages 8 to 12 form an integral part of these financial statements



# MARYLEBONE COMMERCIAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2006

### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. In accordance with FRS 18 'Accounting Policies' the Company complies with relevant Statements of Recommended Practice (SORP). The relevant SORP for the Company is issued by the Finance & Leasing Association. The principal accounting policies adopted are described below.

#### **Turnover**

Turnover represents gross earnings allocated in respect of finance leases in accordance with the accounting policy adopted for leases and operating lease rental income.

#### **Finance leases**

The Company provides funding in the form of finance leases to corporate clients. The leases were based on providing the Company with a return appropriate to the credit risk on each client and do not expose the Company to residual value risk on the equipment or contingent liabilities.

Investments in finance leases are stated at the gross amount of minimum future rental payments less gross earnings allocated to future periods.

Gross earnings from finance leases are allocated to the profit and loss account over the primary period of the lease using the net actuarial basis to give a constant periodic rate of return on the net cash investment in the leases and agreements. This method of income recognition is considered most appropriate for the leases held by the Company and is in compliance with recommended practice.

#### **Operating leases**

The Company recognises rentals from operating leases on a straight line basis over the period of the lease.

Operating lease assets are regularly reviewed for impairment. When an asset's carrying value has been impaired the amount is charged to the profit and loss account in the year of impairment. The 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.

#### **Taxation**

Full provision is made in the profit and loss account for taxation in respect of all differences in timing between the accounting and tax treatments of income and expenses. The timing differences are recognised as deferred tax liabilities or assets, measured at expected future tax rates. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.

#### **Cash flow statement**

Cash, for the purpose of the cash flow statement, comprises cash balances and deposits repayable on demand with an intermediate parent undertaking.

# MARYLEBONE COMMERCIAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2006

### 2. TURNOVER

	Period from 15 September 2006 to 30 September 2006 £	Period from 1 April 2006 to 14 September 2006 £
Income from operating leases	-	2,107,287
Income from finance leases	234,040	8,181,151
	<u>234,040</u>	<u>10,288,438</u>

Gross rentals receivable in the period in respect of finance leases were £305,371 (period ended 14 September 2006 £15,327,619)

### 3. COST OF SALES

	Period from 15 September 2006 to 30 September 2006 £	Period from 1 April 2006 to 14 September 2006 £
Interest payable to the immediate parent undertaking	-	7,308,587
Interest payable to an intermediate parent undertaking	243,632	-
Termination fee	1,250,000	-
Administration fee	15,003	-
Arrangement fees payable to a fellow subsidiary undertaking	4,703,660	-
Other interest payable	-	2,678
	<u>6,212,295</u>	<u>7,311,265</u>

### 4. ADMINISTRATIVE EXPENSES

	Period from 15 September 2006 to 30 September 2006 £	Period from 1 April 2006 to 14 September 2006 £
Management fees payable to the immediate parent undertaking	-	350,000

All administrative expenses, including auditors' remuneration for services to the Company, were borne by Dresdner Kleinwort Limited, a fellow subsidiary undertaking (period ended 14 September 2006 all administrative expenses, excluding auditors' remuneration, were borne by Alliance & Leicester Commercial Finance plc, the immediate parent undertaking until 14 September 2006) The Company had no employees during the period None of the directors received any emoluments in respect of their services to the Company The audit fee applicable in respect of this Company's financial statements was £10,000 (period ended 14 September 2006 £20,000)

No amounts were receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements

# MARYLEBONE COMMERCIAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2006

### 5. TAX CREDIT / (CHARGE)

	Period from 15 September 2006 to 30 September 2006 £	Period from 1 April 2006 to 14 September 2006 £
<b>a) Analysis of charge for the period</b>		
Current tax credit (note 5b)	-	698,107
Deferred tax		
Credit / (charge) due to timing differences	106,346,132	(1,486,258)
Prior year adjustment	2,123,636	-
Tax credit / (charge)	<u>108,469,768</u>	<u>(788,151)</u>
<b>b) Factors affecting tax charge for the period:</b>		
The tax assessed for the period differs from the standard rate of corporation tax in the UK (30 percent) The differences are explained below		
(Loss) / profit on ordinary activities before tax	<u>(50,805,059)</u>	<u>2,627,173</u>
Standard rate tax credit / (charge) in the UK of 30%	15,241,518	(788,151)
Effects of		
Non-taxable items	102,990,035	-
(Depreciation in excess of capital allowances) / capital allowances in excess of depreciation on finance lease receivables	(106,346,132)	1,486,258
Deferred tax asset on losses carried forward not recognised	<u>(11,885,421)</u>	<u>-</u>
Current tax credit for the period (note 5a)	<u>-</u>	<u>698,107</u>

### 6. TANGIBLE FIXED ASSETS

	Operating lease assets £
<b>Cost</b>	
At 15 September 2006	2,805,001
Transfer to debtors	<u>(2,805,001)</u>
At 30 September 2006	<u>-</u>
<b>Depreciation</b>	
At 15 September 2006	235,955
Transfer to debtors	<u>(235,955)</u>
At 30 September 2006	<u>-</u>
<b>Net book value</b>	
At 30 September 2006	<u>-</u>
At 14 September 2006	<u>2,569,046</u>

On 15 September 2006, Alliance & Leicester Commercial Finance plc provided a full guarantee over the operating lease, turning it into a finance lease

# MARYLEBONE COMMERCIAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2006

7. DEBTORS: amounts falling due within one year	30 September 2006 £	14 September 2006 £
Net investment in finance leases	1,699,794	5,778,825
Amounts due from an intermediate parent undertaking	130,788,504	7,724
Other debtors	131,099	-
	<u>132,619,397</u>	<u>5,786,549</u>

The cost of assets acquired in the period for the purpose of leasing under finance leases was £10,131,138 (period ended 14 September 2006 £56,953)

8. CREDITORS: amounts falling due within one year	30 September 2006 £	14 September 2006 £
Amounts due to Alliance & Leicester Commercial Finance plc	-	309,135,290
Amounts due to an intermediate parent undertaking	84,608,385	-
Other creditors	59,720	-
	<u>84,668,105</u>	<u>309,135,290</u>

The amounts due to an intermediate parent undertaking are unsecured, repayable on demand and bear interest at market rates

9. PROVISIONS FOR LIABILITIES AND CHARGES	30 September 2006 £	14 September 2006 £
Deferred Taxation		
Provision at beginning of the period	108,946,848	115,005,573
Charge to profit and loss account	(108,469,768)	1,486,258
Deferred tax provision transferred in period	-	(7,544,983)
Provision at end of the period	<u>477,080</u>	<u>108,946,848</u>

The deferred tax liability balance at the period end is due to timing differences because of excess capital allowances

10. CALLED UP SHARE CAPITAL	30 September 2006 £	14 September 2006 £
<b>Authorised, allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	-	100
75 "A" Ordinary Shares of £1 each	75	
25 "B" Ordinary Shares of £1 each	25	
	<u>100</u>	<u>100</u>

On 15 September 2006, the Company's entire authorised and issued share capital of 100 ordinary shares of £1 each was redesignated into 75 "A" Ordinary shares of £1 each and 25 "B" Ordinary shares of £1 each

# MARYLEBONE COMMERCIAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 September 2006

### 11. COMBINED RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Issued share capital 30 September 2006 £	Profit and loss account 30 September 2006 £	Shareholders' funds total 30 September 2006 £	Shareholders' funds total 14 September 2006 £
At beginning of the period	100	323,803	323,903	13,259,881
Profit attributable to the members of the Company	-	57,664,709	57,664,709	1,839,022
Interim dividend paid	-	-	-	(14,775,000)
At the end of the period	100	57,988,512	57,988,612	323,903

### 12. SUBSEQUENT EVENTS

On 13 December 2006, the Company entered into a Trade Sale Agreement with Dresdner Bank AG London Branch to sell the trade and business assets as part of an intra-group reorganisation

On 15 December 2006, the Company declared and paid an interim dividend of £19,435,531

### 13. RELATED PARTY TRANSACTIONS

Dresdner Bank AG London Branch is a related party by virtue of its 25% share holding in the Company through Dresdner Kleinwort Leasing Holdings Limited, a subsidiary undertaking. During the period, the Company had the following transactions with Dresdner Bank AG London Branch

	£
Interest payable on an intercompany loan	243,632
Interest receivable on deposit	184,042
Outstanding intercompany loan	84,608,385
Amount on deposit	130,788,504

During the period, the Company paid arrangement fees of £4,703,660 to Dresdner Kleinwort Limited, a fellow subsidiary undertaking and administration fee of £15,003 to Alliance & Leicester Commercial Finance plc, a related party by virtue of its 75% share holding in the Company

### 14. ULTIMATE PARENT UNDERTAKING

The largest group in which the results of the Company are consolidated is that headed by Allianz SE, a company incorporated in Germany, under European law and German law. Allianz SE is also the ultimate parent undertaking and controlling party. Financial statements of Allianz SE are available from Allianz SE, Investor Relations, Koeniginstrasse 28, D-80802 Munich, Germany

The smallest group in which the results of the Company are consolidated is that headed by Dresdner Kleinwort Group Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Dresdner Kleinwort Group Limited for the year ended 31 December 2006 are filed at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ