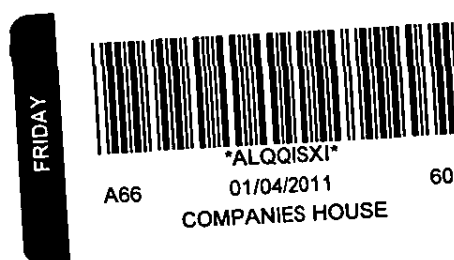


COMMERZBANK LEASING DECEMBER (24) LIMITED

(Formerly Royal Bank Asset Management Limited)

REPORT AND FINANCIAL STATEMENTS

Period ended 21 October 2010



Company Registered No 3068485

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

DIRECTORS' REPORT

The directors present their report, together with the audited financial statements, for the period ended 21 October 2010. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

CHANGE IN ACCOUNTING REFERENCE DATE

The Company has changed its accounting reference date from 31 March to 21 October.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

During the period, the principal activity of the Company was that of lessor and financier of assets for the corporate sector through finance lease transactions.

On 21 October 2010 the entire equity share capital of the Company was sold by Royal Bank Leasing Limited to Commerzbank Leasing Holdings Limited and on that date the Company ceased to be a subsidiary of the Royal Bank of Scotland Group and became a member of the Commerzbank AG Group. As part of this transaction, the Company refinanced.

SUBSEQUENT EVENTS

On 22 October 2010, the entire leasing business carried on by the Company was acquired by Commerzbank AG London branch as a going concern, for consideration of £53,322,755 on terms contained in a Deed of Assignment and Assumption.

On 29 October 2010, the Company changed its name from Royal Bank Asset Management Limited to Commerzbank Leasing December (24) Limited.

The directors do not expect the Company to enter into any new transactions in the foreseeable future.

RESULTS AND DIVIDENDS

The results of the Company for the period are set out in detail on page 4.

The profit on ordinary activities after taxation amounted to £411,000 (year ended 31 March 2010: Loss of £103,000). An interim dividend of £1,250,000 (year ended 31 March 2010: £nil) was paid during the year. The directors do not recommend a final dividend (year ended 31 March 2010: £nil).

DIRECTORS

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

N G Aiken	(appointed 21 October 2010)
M C Beebee	(appointed 21 October 2010)
R A Birch	(appointed 21 October 2010)
P R Burrows	(appointed 21 October 2010)
A D Levy	(appointed 21 October 2010)

On 21 October 2010, S J Caterer, J E Rogers, P D J Sullivan and R F Warren resigned as directors of the Company.

No director benefited from qualifying third party indemnity provisions in place during the period.

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. 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 they have been prepared in accordance with IFRSs as adopted by the EU, 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 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.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors in 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

Deloitte LLP resigned as auditors of the Company on 21 October 2010. PricewaterhouseCoopers LLP have been appointed by the directors to fill the vacancy thus arising, in accordance with Section 485 of the Companies Act 2006.

PricewaterhouseCoopers LLP will be re-appointed in accordance with Section 487 of the Companies Act 2006.

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



J C Wall
Secretary

Commerzbank Leasing December (24) Limited
Company Registered No 3068485

31 March 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMERZBANK LEASING DECEMBER (24) LIMITED

We have audited the financial statements of Commerzbank Leasing December (24) Limited for the period ended 21 October 2010 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 2, 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 21 October 2010 and of its profit and cash flows for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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,
- we have not received all the information and explanations we require for our audit,
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Duncan McNab (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

31 March 2011

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

STATEMENT OF COMPREHENSIVE INCOME
For the period ended 21 Oct 2010

	Notes	Period from 1 Apr 10 to 21 Oct 10 £'000	Year ended 31 Mar 10 £'000
Revenue – finance lease income net of rental adjustments	3	(82)	593
Other operating income		5	10
GROSS (LOSS) / PROFIT		(77)	603
Administrative expenses	4	(5)	(9)
OPERATING (LOSS) / PROFIT		(82)	594
Interest payable to Royal Bank Leasing Limited		(278)	(736)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(360)	(142)
Tax credit	5	771	39
PROFIT /(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		411	(103)
Other comprehensive income after tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR		411	(103)

All amounts stated above are derived from discontinued activities

The accounting policies and notes on pages 8 to 16 form an integral part of these financial statements

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

STATEMENT OF CHANGES IN EQUITY
For the period ended 21 October 2010

	Notes	Issued capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2009		-	966	966
Total comprehensive income for the year		-	(103)	(103)
Balance at 31 March 2010		-	863	863

		Issued capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2010		-	863	863
Total comprehensive income for the period		-	411	411
Dividends paid	6	-	(1,250)	(1,250)
Balance at 21 October 2010		-	24	24

The accounting policies and notes on pages 8 to 16 form an integral part of these financial statements

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

BALANCE SHEET
As at 21 October 2010

	Notes	21 Oct 10 £'000	31 Mar 10 £'000
ASSETS			
NON CURRENT ASSETS			
Finance lease receivables	7	69,862	68,855
CURRENT ASSETS			
Finance lease receivables	7	2,276	2,233
Other receivables due from group undertakings		-	102
Cash and cash equivalents with group undertakings		-	2,250
TOTAL ASSETS		72,138	73,440
CURRENT LIABILITIES			
Other creditors – variable rate interest adjustment		(1,672)	(546)
Amounts due to group undertakings	8	(52,553)	(337)
NON CURRENT LIABILITIES			
Amounts due to group undertakings	8	-	(53,294)
Deferred tax liabilities	9	(17,889)	(18,400)
TOTAL LIABILITIES		(72,114)	(72,577)
NET ASSETS		24	863
EQUITY			
Issued share capital	10	-	-
Retained profit		24	863
TOTAL EQUITY		24	863

The accounting policies and notes on pages 8 to 16 form an integral part of these financial statements

These financial statements on pages 4 to 16 were approved by the Board of Directors and signed on its behalf by



A D Levy
Director

31 March 2011

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

STATEMENT OF CASH FLOWS
For the period ended 21 October 2010

	Period from 1 Apr 10 to 21 Oct 10 £'000	Year ended 31 Mar 10 £'000
(Loss) for the year	(360)	(142)
NON-CASH ADJUSTMENTS		
(Increase) /decrease in finance lease receivables	(1,050)	117
Increase in other payables	1,125	277
Interest expense	278	736
CASH FLOWS FROM OPERATING ACTIVITIES	(7)	988
Interest paid to parent undertakings	(390)	(1,019)
Tax - group relief received	361	585
NET CASH FLOWS FROM OPERATING ACTIVITIES	(36)	554
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(54,477)	(106)
New bank loans raised	53,513	-
Dividends paid to Royal Bank Leasing Limited	(1,250)	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(2,250)	448
Cash and cash equivalents at beginning of period / year	2,250	1,802
CASH AND CASH EQUIVALENTS AS AT 21 OCTOBER 2010	-	2,250

The accounting policies and notes on pages 8 to 16 form an integral part of these financial statements

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

1. BASIS OF PREPARATION

The Company has prepared its financial statements in accordance with the Companies Act 2006, IFRSs as issued by the International Accounting Standards Board ('IASB') and as endorsed by the EU and under the historical cost convention. EU-endorsed IFRSs may differ from IFRSs as issued by the IASB if, at any point in time, new or amended IFRSs have not been endorsed by the EU. At 21 October 2010, there were no unendorsed standards effective for 21 October 2010 affecting these financial statements, and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to the Company.

IFRSs comprise accounting standards issued by the IASB and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') and its predecessor body. The principal accounting policies adopted are set out in note 2. These policies have been consistently applied for all the periods presented.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company

There were no new standards and amendments to standards that were mandatory for the first time for the financial period beginning 1 April 2010 and required adoption by the Company.

(b) New and amended standards, and interpretations mandatory for the first time for the financial period beginning 1 April 2010 but not currently relevant to the Company

The following standards and amendments to existing standards have been published and were mandatory for accounting periods beginning on or after 1 April 2010, but the Company has not adopted them as they are not currently relevant to the Company.

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in the statement of comprehensive income.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water).

IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

1. BASIS OF PREPARATION (continued)

(c) New standards, amendments and interpretations issued but not effective for the financial period beginning 1 April 2010 and not early adopted

The Company's assessment of the impact of these new standards and interpretations is set out below

Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003 and is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. However, the standard has not yet been endorsed by the EU.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and results in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The Company will apply the interpretation from 1 January 2011, subject to endorsement by the EU and the activities of the Company at that time.

The financial statements are presented in Sterling being the Company's functional currency.

General information

The Company is domiciled in the UK and incorporated in England and Wales. The Company's Registered Office is situated at 30 Gresham Street, London, EC2P 2XY.

Comparative period

The comparative period information is for year ended 31 March 2010, whilst the current period information is for the period from 1 April 2010 to 21 October 2010.

2. ACCOUNTING POLICIES

Going concern

The financial statements have been prepared on the going concern basis.

Following the transfer of the entire leasing business of the Company to Commerzbank AG London Branch as described in Note 13, the only remaining asset held by the Company, as at the date of the signing of these financial statements, is a current account balance held with Commerzbank AG London Branch. The directors do not consider the recovery of this balance to be a significant and material uncertainty and therefore continue to prepare the financial statements of the Company on a going concern basis.

Revenue

Revenue represents gross earnings net of rental rebates allocated in respect of finance leases in accordance with the accounting policy adopted for leases.

Use of assumptions and estimates

When preparing the financial statements, it is the Directors' responsibility to select suitable accounting policies and to make judgements and estimates that are reasonable and prudent.

The accounting for leases and, in particular, their classification as finance leases is the only accounting policy that is deemed critical to the Company's IFRS results and financial position, in terms of materiality of the items to which the policy is applied, which involves a high degree of judgement and estimation.

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

2. ACCOUNTING POLICIES (continued)

Finance leases

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of the assets, but not necessarily legal title, are classified as finance leases. They are recorded at an amount equal to the net investment in the lease less any impairment provisions, within finance lease receivables.

The net investment in finance leases represents the sum of the minimum payments receivable (gross investment in the lease) discounted at the rate of interest implicit in the lease. The difference between the gross investment in the lease and the net investment in the lease is recorded as unearned finance income.

Income from finance leases is recognised over the periods of the leases so as to give a constant rate of return on the net investment in the leases. It is shown as "Finance lease income" in the statement of comprehensive income. Initial direct costs incurred in arranging the lease, less any fee income related to the lease, are included in the initial measurement of the net investment.

Interest expense

Interest expense for all interest bearing financial instruments is recognised in 'Interest expense' in the statement of comprehensive income using the effective interest method. The effective interest method is a way of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial liability or financial asset. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the Company that are an integral part of the effective interest rate of a financial instrument, including transaction costs and all other premiums or discounts.

Financial liabilities

Financial liabilities are initially measured at fair value plus any transaction costs that are directly attributable to the purchase or issue. Financial liabilities are recognised if the Company becomes party to the contractual provisions of the liability instrument. The Company derecognises the financial liability when the Company's obligations specified in the contract expire, are discharged or cancelled. Subsequent to initial recognition financial liabilities are measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax. Dividends payable in relation to equity shares are recognised as a liability in the period in which they are paid (in the case of interim dividends) or approved (in the case of final dividends).

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

2. ACCOUNTING POLICIES (continued)

Taxation

Income tax comprises current tax and deferred tax. Income tax is recognised in the statement of comprehensive income.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date. Deferred tax assets and liabilities are not discounted.

Impairment of financial assets

The Company's financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the asset the estimated future cash flows of the asset have been impacted.

The Company considers evidence of impairment at both a specific and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or receivable by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter into bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as economic conditions that correlate with defaults in the group.

3. REVENUE – FINANCE LEASE INCOME

	Period from 1 Apr 10 to 21 Oct 10 £'000	Year to 31 Mar 10 £'000
Income from finance leases	1,050	2,174
Rental adjustments in respect of interest variations	(1,132)	(1,581)
	<u>(82)</u>	<u>593</u>

Gross rentals receivable in the period in respect of finance leases were £1,175,000 (year ended 31 March 2010 £2,292,000)

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

4. ADMINISTRATIVE EXPENSES

Administrative expenses include £5,000 (year ended 31 March 2010 £8,000) in respect of group management charges payable to a parent undertaking. The Company had no employees during the period. None of the directors that served during the period received any emoluments in respect of their services to the Company.

Auditor's remuneration for the period ended 21 October 2010 for services to the Company were borne by Commerzbank AG London Branch (year ended 31 March 2010 Royal Bank Leasing Limited). The audit fee applicable in respect of this Company's financial statements was £17,750 (year ended 31 March 2010 £5,000). 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.

5. TAXATION CREDIT

	Period from 1 Apr 10 to 21 Oct 10 £'000	Year ended 31 Mar 10 £'000
Current tax		
Group relief receivable	260	503
Deferred tax		
Origination and reversal of timing differences	511	(464)
Tax income reported in the statement of comprehensive income	<u>771</u>	<u>39</u>

Reconciliation of corporation tax income to accounting profit

The effective rate of tax for the period differs from the standard rate of corporation tax in the UK for the period ended 21 October 2010 of 28% (year to 31 March 2010 28%) being the country where the Company generates substantially all its profits. The differences are explained below.

	Period from 1 Apr 10 to 21 Oct 10 £'000	Year ended 31 Mar 10 £'000
(Loss) before tax	<u>(360)</u>	<u>(142)</u>
Tax credit calculated at a rate of 28%	101	39
Impact of rate change from 28% to 27%	<u>670</u>	<u>-</u>
Tax income reported in the Income Statement	<u>771</u>	<u>39</u>

6. DIVIDENDS

During the period the Company paid an interim dividend of £1,250,000 (year to 31 March 2010 £Nil), equating to £625,000 per ordinary share.

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

7. FINANCE LEASES

	<i>Gross investment in the lease</i>		<i>Present value of minimum lease payments</i>	
	21 Oct 10	31 Mar 10	21 Oct 10	31 Mar 10
	£'000	£'000	£'000	£'000
Less than one year	2,292	2,292	2,276	2,233
More than 1 year but less than 5 years	8,623	9,167	7,861	8,202
Later than five years	79,288	79,560	62,001	60,653
	<u>90,203</u>	<u>91,019</u>	<u>72,138</u>	<u>71,088</u>
Less				
Unearned finance income	(18,065)	(19,931)		
Net investment in finance leases	<u>72,138</u>	<u>71,088</u>	<u>72,138</u>	<u>71,088</u>
Non-current			69,862	68,855
Current			<u>2,276</u>	<u>2,233</u>
			<u>72,138</u>	<u>71,088</u>

The Company has entered into a finance leasing arrangement for rail infrastructure. The remaining lease term is 7 years. Unguaranteed residual values of assets leased under finance leases at the balance sheet date are estimated at £nil (31 March 2010 £nil).

The interest rate inherent in the leases is determined at the contract date for all the lease term. The average effective interest rate contracted approximates 3.5% (31 March 2010 3.5%) p.a. The finance lease receivables are on a floating rate basis and, as a result, there is no difference between the carrying value and their fair value.

8. AMOUNTS DUE TO GROUP UNDERTAKINGS

	21 Oct 10	31 Mar 10
	£'000	£'000
Amounts due within one year		
Other payables	-	114
Loan due to Royal Bank Leasing Limited	-	223
Loan due to Commerzbank AG London Branch	52,553	-
	<u>52,553</u>	<u>337</u>
Amounts due after more than one year		
Loan due to Royal Bank Leasing Limited	-	53,294
	<u>52,553</u>	<u>53,631</u>

The effective rate of interest on the loan is 1.0% (31 March 2010 0.8%). As the loans set at variable rates there is no difference between the carrying values above and their fair values.

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

9. DEFERRED TAX LIABILITIES

The movement in the deferred tax account is as follows

	£'000
At 1 April 2009	17,937
Charge to statement of comprehensive income	464
At 1 April 2010	18,400
Credit to statement of comprehensive income	(511)
At 21 October 2010	<u>17,889</u>

The amounts shown above represent £17,837,000 (31 March 2010 £18,343,000) in relation to accelerated capital allowances on finance lease receivables and £52,000 (31 March 2010 £57,000) in respect to other temporary differences

In the Budget on 22 June 2010, the UK Government proposed, amongst other things, to reduce Corporation Tax rates in four annual increments of 1% with effect from 1 April 2011. In conjunction, reductions to the rate of capital allowances have also been proposed, to take effect from 1 April 2012. However, as a result of the Company's disposal of its leasing business on 22 October 2010 (see note 13), these changes will not impact the Company, as the deferred tax liability was released.

10. ISSUED SHARE CAPITAL

	21 Oct 10 No.	31 Mar 10 No.	21 Oct 10 £	31 Mar 10 £
Ordinary shares of £1 each				
Authorised	1,000	1,000	1,000	1,000
Issued, called up and fully paid	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The Company has one class of ordinary voting shares which carry no right to fixed income

11. RELATED PARTY TRANSACTIONS

Particulars of transactions, arrangements and agreements involving related parties are disclosed elsewhere within the financial statements

12. CONTINGENT LIABILITIES

There were no contingent liabilities at 21 October 2010 (year ended 31 March 2010 £nil)

13. SUBSEQUENT EVENTS

On 22 October 2010, the entire leasing business carried on by the Company was acquired by Commerzbank AG London Branch as a going concern, for consideration of £53,322,755, on terms contained in a Deed of Assignment and Assumption

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

14. RISK MANAGEMENT

As a result of its normal business activities, the Company was exposed to a variety of risks, the most significant of which were credit risk, interest rate risk and liquidity risk. At the balance sheet date, the Company managed its risk in line with the central risk management function of The Royal Bank of Scotland Group plc.

Since 21 October 2010, the business activities have fallen under the scope of the Global Risk Management function of Commerzbank AG who provide regular reports on specific risks affecting the business activities. The risks facing the Company have been mitigated by the transfer of the Company's business activities to Commerzbank AG London Branch on 22 October 2010.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to avoid cash flow interest rate risk. This is achieved by matching the maturity of the lease and its associated loan finance and fixing the cost of borrowing at the inception of the lease when the effective interest rate in the lease is determined.

Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of counterparties to meet their financial obligations to the Company as and when they fall due. Credit risk was managed through the Royal Bank of Scotland plc Group Credit Risk Management Framework to enable the Group to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved risk appetite on a Group basis. The Framework encompasses credit risk assessment prior to the approval of any credit exposure, and the control and monitoring of these exposures against approved limits.

Under its finance lease agreements with lessees the Company retains ownership rights on the leased assets, which collateralises the amounts receivable under the finance lease agreements. At the balance sheet date the Company assesses if there is objective evidence that the finance lease receivables have become impaired. The directors' assessment at 21 October 2010 was that there was no evidence of impairment. The maximum exposure to loss is considered to be the balance sheet carrying amount of finance leases as at 21 October 2010, as detailed in note 7 above, where those amounts are neither past due nor impaired.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company minimises currency risk by ensuring its leases and associated financing are in the same currency.

Liquidity risk

Liquidity risk is the risk that the Company, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can only secure them at excessive cost. Any maturity mismatch within the overall long term structure of the Company's assets and liabilities is managed to ensure that term asset commitments may be funded on an economic basis over their life. The short term maturity structure of the Company's liabilities and assets is managed on a daily basis to ensure that all cash flow obligations can be met as they arise.

Capital management

The Company is a member of a group with regulatory disciplines over the use of its capital. Although the Company itself is not regulated it aims to maintain capital resources commensurate with the nature, scale and risk profile of its business. It regards its capital as the total equity shown in the balance sheet.

COMMERZBANK LEASING DECEMBER (24) LIMITED
(Formerly Royal Bank Asset Management Limited)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 21 October 2010

15. ULTIMATE PARENT UNDERTAKING

Prior to 21 October 2010, the ultimate parent undertaking and the largest group of undertakings for which consolidated financial statements are drawn up and of which the Company was a member was The Royal Bank of Scotland Group plc, a company registered in Scotland. The parent undertaking of the smallest such group was The Royal Bank of Scotland plc, a company registered in Scotland. The immediate parent undertaking was Royal Bank Leasing Limited.

Copies of the consolidated financial statements of both companies may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ.

The ultimate controlling party of The Royal Bank of Scotland Group plc is the UK Government through HM Treasury. The UK Government's shareholding is managed by UK Financial Investments Limited, a company wholly owned by the UK Government.

Since 21 October 2010, Commerzbank Leasing Holdings Limited, a company incorporated in England & Wales, became the immediate parent undertaking of the Company. Commerzbank AG, a company incorporated in Germany under German law, became the ultimate parent undertaking and controlling party and the only group in which the results of the Company are consolidated. Financial statements of Commerzbank AG are available from Commerzbank AG, Investor Relations, Kaiserplatz, D-60261 Frankfurt am Main, Germany.