

WILMINGTON TRUST (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

Registered No: 4330127



WILMINGTON TRUST (UK) LIMITED

CONTENTS

	Page
Directors and administration	3
Directors' report	4
Statement of directors' responsibilities	5
Report of the independent auditors to the members of Wilmington Trust (UK) Limited	6
Profit and loss account	7
Balance sheet	8
Statement of total recognised gains and losses	9
Reconciliation of movements in shareholders' funds	9
Notes	10

WILMINGTON TRUST (UK) LIMITED

DIRECTORS AND ADMINISTRATION

REGISTERED OFFICE

10 Upper Bank Street
London
E14 5JJ

REGISTERED NUMBER

Registered in England number 4330127

DIRECTORS

H. K. Cohen
D. W. Dupert
D. C. Roulston
E. Harmon

SECRETARY

Clifford Chance Secretaries Limited
10 Upper Bank Street
London
E14 5JJ

REGISTERED AUDITORS

KPMG LLP
PO Box 695
8 Salisbury Square
London EC4Y 8BB

BANKERS

HSBC Bank Plc
27/32 Poultry
London
EC2P 2BX

WILMINGTON TRUST (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for year ended 31 December 2003.

PRINCIPAL ACTIVITY

The company is an investment holding company. It owns SPV Management Limited, a company engaged in providing management and consultancy services, primarily, though not exclusively, to special purpose companies involved in asset backed financing transactions.

RESULTS AND DIVIDEND

The company's loss before taxation for the year ended 31 December 2003 amounted to £72,838 (2002: £55,354). The directors do not recommend payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year were as follows:

Mr H. K. Cohen
Mr D. W. Dupert
Mr D. C. Roulston
Mr E. Harmon

None of the directors had a disclosable interest in the issued share capital of the company.

INSURANCE OF DIRECTORS

The company is covered by the group insurance of its parent company for itself and for its directors and officers

AUDITORS

A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

For and on behalf of
CLIFFORD CHANCE SECRETARIES LIMITED

Authorised Signatory

Clifford Chance Secretaries Limited
Company secretary

19 November 2004.
10 Upper Bank Street
London
E14 5JJ

WILMINGTON TRUST (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those 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;
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a 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.



KPMG LLP

8 Salisbury Square
London
EC4Y 8BB

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WILMINGTON TRUST (UK) LIMITED

We have audited the financial statements on pages 7 to 15.

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 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

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

1 December

2004

WILMINGTON TRUST (UK) LIMITED

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2003**

	Notes	Year to 31.12.03 £	28.11.01 to 31.12.02 £
Administrative expenses		(18,957)	(33,885)
Profit on exchange		130,664	57,722
OPERATING PROFIT		111,707	23,837
Interest receivable and similar income	5	58,286	68,242
Interest payable and similar charges	6	(242,831)	(147,433)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2,3	(72,838)	(55,354)
Taxation on profit on ordinary activities	7	-	-
RETAINED LOSS FOR THE PERIOD CARRIED FORWARD	13	(72,838)	(55,354)

There were no gains or losses during the current or preceding year other than those passing through the profit and loss account.

The results as stated above are all derived from continuing operations.

WILMINGTON TRUST (UK) LIMITED

BALANCE SHEET AS AT

		31.12.03	31.12.02
			<i>As restated, see note 9</i>
	Notes	£	£
FIXED ASSETS			
Investments	8	<u>7,884,995</u>	<u>7,884,995</u>
CURRENT ASSETS			
Debtors	9	1,324,557	2,668,242
Cash at bank and in hand		90,232	15,047
		<u>1,414,789</u>	<u>2,683,289</u>
CREDITORS			
Amounts falling due within one year	10	<u>(1,897,612)</u>	<u>(3,305,852)</u>
		<u>(422,823)</u>	<u>(622,563)</u>
NET CURRENT LIABILITIES			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,462,172</u>	<u>7,262,432</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>(3,930,364)</u>	<u>(3,717,786)</u>
NET ASSETS		<u><u>3,471,808</u></u>	<u><u>3,544,646</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	50	50
Share premium	13	3,599,950	3,599,950
Profit and loss account	13	<u>(128,192)</u>	<u>(55,354)</u>
EQUITY SHAREHOLDERS' FUNDS		<u><u>3,471,808</u></u>	<u><u>3,544,646</u></u>

Approved by the Board on 15 November 2004 and signed on its behalf by



)
) Director
)
)

WILMINGTON TRUST (UK) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED	31.12.03	28.11.01 to 31.12.02
	£	£
Loss for the financial year/period	(72,838)	(55,354)
TOTAL RECOGNISED LOSSES RELATING TO THE FINANCIAL YEAR/ PERIOD	<u>(72,838)</u>	<u>(55,354)</u>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31.12.03	28.11.01 to 31.12.02
	£	£
Issue of share capital	-	3,600,000
Loss for the financial year/period	<u>(72,838)</u>	<u>(55,354)</u>
Net addition to/deduction from shareholders' funds	(72,838)	3,544,646
Opening shareholders' funds	<u>3,544,646</u>	<u>-</u>
Closing shareholders' funds	<u>3,471,808</u>	<u>3,544,646</u>

**NOTES TO THE FINANCIAL STATEMENTS -
YEAR ENDED 31 DECEMBER 2003**

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except those as noted below.

- i) **Basis of accounting:** The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.
- ii) **Going concern:** The financial statements have been prepared on a going concern basis which its directors believe to be appropriate because the parent undertaking, Wilmington Trust Corporation, has provided the company with an undertaking that it will not seek repayment of the amounts due from the company if this will jeopardise the going concern of the company. The parent undertaking has also agreed to provide the company with adequate funds for at least 12 months from the date of approval of these financial statements to enable it to continue trading and meet its liabilities as they fall due for payment.
- iii) **Consolidated financial statements:** The company by virtue of section 248 of the Companies Act 1985 is exempt from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.
- iv) **Cash flow statement:** The company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.
- v) **Foreign currencies:** Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.
- vi) **Taxation:** Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.
- vii) **Investments:** Fixed asset investments are stated at cost less provision for diminution in value.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION:

The loss on ordinary activities before taxation is stated after charging;

	Year to 31.12.03	28.11.01 to 31.12.02
Auditors' remuneration	£	£
Audit.....	6,750	5,000
Other services.....	4,400	5,000

3. REMUNERATION OF DIRECTORS

None of the directors received remuneration for their services to the company during the period.

WILMINGTON TRUST (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS -
YEAR ENDED 31 DECEMBER 2003 - CONTINUED**

4. STAFF NUMBERS AND COSTS

The company had no employees apart from the four directors.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 31.12.03 £	28.11.01 to 31.12.02 £
Interest receivable from group undertakings.....	28,163	15,041
Interest received on deposit held in an Escrow account	30,123	53,201
	<u>58,286</u>	<u>68,242</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31.12.03 £	28.11.01 to 31.12.02 £
Interest payable to parent undertaking	232,184	135,189
Interest payable on loan notes (see note 11)	9,571	12,244
Other interest payable	1,076	-
	<u>242,831</u>	<u>147,433</u>

WILMINGTON TRUST (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS -
YEAR ENDED 31 DECEMBER 2003 - CONTINUED**

7 TAXATION

Analysis of charge for the year/period

	Year to 31.12.03 £	28.11.01 to 31.12.02 £
<i>UK Corporation tax</i>	-	-
<i>Adjustments in respect of prior periods</i>	-	-
<i>Total current tax</i>	-	-

The current tax charge for the year is lower (2002: lower) than the standard corporation tax rate in the UK of 30% (2002: 30%). The differences are explained below:

<i>Current tax reconciliation</i>	£	£
Loss on ordinary activities before tax	(72,838)	(55,354)
Current tax at 30%	(21,851)	(16,606)
Disallowed expenses	-	6,005
Unrecognised deferred tax asset on losses carried forward	21,851	10,601
Total tax charge	-	-

The deferred tax asset of £32,452 (2002: £10,601) has not been recognised in these financial statements on the grounds of uncertainty as to it being used within the foreseeable future.

WILMINGTON TRUST (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS -
YEAR ENDED 31 DECEMBER 2003 - CONTINUED**

8. FIXED ASSET INVESTMENTS

**Shares in
group
undertakings
£**

Cost

At 31 December 2003 and 2004

7,884,995

The principal undertaking in which the company's interest at the year end is more than 20% is as follows:

Subsidiary undertaking	Country of incorporation	Class and percentage of shares held
SPV Management Limited	United Kingdom	100%

Under the terms of the agreement for the purchase of SPV Management Limited the final purchase price depends on the level of certain post acquisition activities of the company. The maximum additional amount that may become payable is £5 million.

9. DEBTORS

	31.12.03	31.12.02
	£	As restated £
Amounts held in Escrow account	674,728	2,052,371
Amount due from subsidiary undertaking	600,000	600,000
Prepayments and accrued income	49,829	15,871
	<u>1,324,557</u>	<u>2,668,242</u>

Debtors include an amount of £540,000 (2002: £600,000) due from SPV Management Limited after more than one year.

10. CREDITORS: amounts due within one year

	31.12.03	31.12.02
	£	£
Amounts owed to parent undertaking	1,542,679	1,968,009
Loan notes payable (see note 11)	294,089	1,182,266
Other creditors	33,333	133,333
Accruals	27,511	22,244
	<u>1,897,612</u>	<u>3,305,852</u>

WILMINGTON TRUST (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS -
YEAR ENDED 31 DECEMBER 2003 – CONTINUED**

11. CREDITORS: amounts due over one year

	31.12.03	31.12.02
	£	£
Loan notes payable	297,030	591,119
Amounts owed to parent undertaking.....	3,600,000	3,060,000
Other creditors	33,334	66,667
	<u>3,930,364</u>	<u>3,717,786</u>

Included in amounts owed to group undertakings is an amount of £1,800,000 (2002: £1,620,000) due after more than five years.

Analysis of debt	31.12.03	31.12.02
	£	£
Debt can be analysed as falling due:		
In one year or less, or on demand	0	540,000
Total due within one year	<u>0</u>	<u>540,000</u>
Between two and five years	1,440,000	1,440,000
In five years or more	2,160,000	1,620,000
	<u>3,600,000</u>	<u>3,600,000</u>

The £1,773,385 Nominal Value loan notes were issued on 23 April 2002 and attract interest at the rate of 1%. The payment schedule states £1,182,266 plus interest of £17,734 will be paid on the first anniversary, £294,089 plus interest of £5,911 on the second anniversary, and the final payment of £297,030 plus interest of £2,970 on the third anniversary of the issue date.

12. CALLED UP SHARE CAPITAL

	31.12.03	31.12.02
	£	£
Authorised:		
50 ordinary shares of £1 each	50	50
	<u>50</u>	<u>50</u>
Issued and fully paid:	£	£
50 ordinary shares of £1 each	50	50
	<u>50</u>	<u>50</u>

13. SHARE PREMIUM AND RESERVES

	Share premium account	Profit and Loss account
	£	£
At beginning of year.....	3,599,950	(55,354)
Retained loss for the period	-	(72,838)
At end of year.....	<u>3,599,950</u>	<u>(128,192)</u>

**NOTES TO THE FINANCIAL STATEMENTS -
YEAR ENDED 31 DECEMBER 2003 – CONTINUED**

14. RELATED PARTY TRANSACTIONS

The ultimate controlling party is Wilmington Trust Corporation. At the year end the company had an interest-bearing loan of £3,600,000 from Wilmington Trust Corporation (see note 11). At the balance sheet date the company also owed Wilmington Trust Corporation £1,542,679 (see note 10). The company has also made an interest-bearing loan facility available to SPV Management Limited of £750,000 of which £600,000 has been drawn.

15. ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Wilmington Trust Corporation, a company incorporated in the USA. The largest group in which the results of the company are consolidated is that headed by Wilmington Trust Corporation. The consolidated accounts of this company are available to the public and may be obtained from Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-0001 USA.