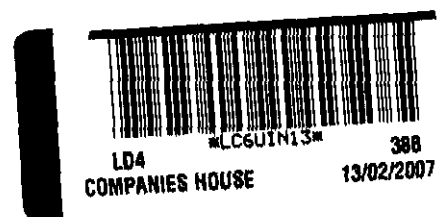


TRUCK AND RECEIVABLES SECURITISATION LIMITED

For the year ended 31 December 2005



TRUCK AND RECEIVABLES SECURITISATION LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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TRUCK AND RECEIVABLES SECURITISATION LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Adrian Gower (appointed 20 January 2005, resigned 31 October 2006)
Capita Trust Corporate Services Limited (appointed 31 October 2006)
Beverley Douglas (appointed 26 May 2005)
Richard Phillips (appointed 26 May 2005)
Kenneth Graham (resigned 30 May 2006)
Jonathan Vickers (appointed 30 May 2006)

SECRETARY

Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

REGISTERED OFFICE

18 King William Street
London
EC4N 7HE

BANKERS

The Royal Bank of Scotland plc
4th Floor
135 Bishopsgate
London
EC2M 3UR

AUDITORS

Deloitte & Touche LLP
London

TRUCK AND RECEIVABLES SECURITISATION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for Truck and Receivables Securitisation Limited ("the Company") for the year ended 31 December 2005.

ACTIVITIES

The principal activity of the Company is the purchase of commercial trucks and their associated lease receivables from MAN Financial Services Plc. on a systematic basis.

REVIEW OF DEVELOPMENTS

The Company is registered as a private limited company under the Companies Act 1985.

During the year there was some further purchases of trucks and receivables, however at the year end there was an overall decrease of £5,208,000 (2004 - £nil) and £5,848,000 (2004: £nil) of funding was repaid. As at 31 December 2005 there were £89,259,000 (2004 - £94,467,000) finance lease receivables.

RESULTS AND DIVIDENDS

The results for the year and the state of the Company's affairs are set out in the accompanying financial statements.

No dividends were declared or paid by the Company during the year and the directors do not propose a final dividend.

EXTENDED BUSINESS REVIEW

Turnover, which is a key performance indicator of the Company, increased by 65% on the prior year due to finance lease acquisitions. At the year end finance leases decreased by 5% compared to the previous year as some leases were sold with any gains on sale of those leases contributing to income. Similarly, interest payable increased by 65% compared to the previous year as this comprises funding expenses in order to purchase the finance lease receivables.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year except as noted, are as follows:

Adrian Gower (appointed 20 January 2005, resigned 31 October 2006)
Capita Trust Corporate Services Limited (appointed 31 October 2006)
Beverley Douglas (appointed 26 May 2005)
Richard Phillips (appointed 26 May 2005)
Kenneth Graham (resigned 30 May 2006)
Jonathan Vickers (appointed 30 May 2006)

The directors do not have any interests required to be disclosed under Schedule 7, Section 2 of the Companies Act 1985.

EMPLOYEES

The company had no employees. Capita IRG Trustees Limited performs the company secretarial function.

TRUCK AND RECEIVABLES SECURITISATION LIMITED

DIRECTORS' REPORT (CONTINUED)

RISK MANAGEMENT POLICIES AND PROCEDURES

The main risks arising from the Company's activities are interest rate and liquidity risk. The Board reviews and agrees policies for managing each of these risks and these are summarised below. These policies have remained unchanged since the Company commenced operations on 24 June 2004. All transactions are denominated in the Company's functional currency (Sterling) and consequently no currency exposure arises.

Interest rate risk

The Company financed the purchase of lease receivables by borrowing funds denominated in sterling from Thames Asset Global Securitization No. 1 Inc. ('TAGS Inc.') on its issue of commercial paper. This source of funding is considered to have a floating interest rate. The underlying leases on the trucks have been established using a fixed rate of return over the life of each of the leases. The fixed interest rate is swapped out to a floating rate and also to match the period of funding from TAGS Inc

Liquidity risk

The Company's bankers are providing a sterling liquidity facility of £124.8 million. This is to be used should the issuing conduit be unable to place commercial paper. The Company pays 2.5 bps commitment fees on the undrawn element of the liquidity facility. This is a 364-day renewal facility, which was renewed on 23 May 2005 and will expire on 22 May 2006. The directors expect the liquidity facility to be renewed annually.

Credit risk

The Company makes disposals of trucks once they have reached the end of the lease. Any unanticipated losses on the sale of trucks are mitigated by the residual value guarantee.

AUDITORS

A resolution to reappoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

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

Director



30 November 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the Company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company and of the profit or loss of the Company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed; and
- (d) 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 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 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 TRUCK AND RECEIVABLES SECURITISATION LIMITED

We have audited the financial statements of Truck and Receivables Securitisation Limited for the year to 31 December 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 18. 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 opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year ended 31 December 2005;
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

30 November 2006

TRUCK AND RECEIVABLES SECURITISATION LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2005

	Notes	2005 £'000	Period from 14 January 2004 to 31 December 2004 £'000
Turnover	3	7,472	4,523
Other operating income	4	9,261	4,151
Administrative expenses	5	(11,209)	(5,693)
OPERATING PROFIT		5,524	2,981
Interest payable and similar charges	6	(5,541)	(3,347)
Other interest receivable		341	155
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		324	(211)
Taxation	7	(103)	69
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		221	(142)

The accompanying notes are an integral part of this profit and loss account.

The results above arose wholly from continuing operations.

The Company had no recognised gains or losses other than those included in the profit and loss account, accordingly no statement of total recognised gains and losses is required.

TRUCK AND RECEIVABLES SECURITISATION LIMITED

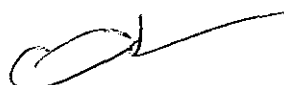
BALANCE SHEET 31 December 2005

	Notes	2005 £'000	2004 £'000
CURRENT ASSETS			
Cash at bank		6,714	8,001
Investment in lease receivables	8	89,259	94,467
Debtors	9	492	163
Deferred tax asset		-	69
		<u>96,465</u>	<u>102,700</u>
CREDITORS: amounts falling due within one year			
Deferred tax liability	10 11	(96,352) (34)	(102,842) -
		<u>79</u>	<u>(142)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>79</u>	<u>(142)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>79</u>	<u>(142)</u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss account	14	79	(142)
		<u>79</u>	<u>(142)</u>
TOTAL SHAREHOLDERS' EQUITY/(DEFICIT)		<u>79</u>	<u>(142)</u>

These financial statements were approved by the Board of Directors on 30 November 2006.

Signed on behalf of the Board of Directors

Director



Jonathan Vickers

TRUCK AND RECEIVABLES SECURITISATION LIMITED

CASH FLOW STATEMENT Year ended 31 December 2005

			Period from 14 January 2004 to 31 December
	Note	2005 £'000	2004 £'000
Net cash inflow from operating activities	14	4,554	6,503
Return on investments and servicing of finance			
Interest received		341	155
Interest paid		(5,541)	(3,102)
Taxation		-	-
Capital expenditure and financial investment			
Purchase of lease receivables less redemptions in year/period		5,208	(94,467)
Financing			
Funds (repaid)/borrowed		(5,849)	98,912
(Decrease)/increase in cash		<u>(1,287)</u>	<u>8,001</u>

The accompanying notes form an integral part of this cash flow statement.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year ending 31 December 2005, is set out below:

a) Basis of accounting

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

b) Finance lease receivables

The investment in finance lease receivables represents the purchase of a pool of commercial vehicles and their associated finance leases from MAN Financial Services Ltd. during the period. As the present value of the minimum lease payments receivable under each of the leases purchased, using the interest rate implicit in each of the leases, represents substantially all of the fair value of the underlying vehicles, each lease has been classified as a finance lease. As such, each lease is reported at the net investment in the underlying lease, after making provisions for bad debts. Gross earnings are allocated to accounting periods to give a constant periodic rate of return based on the net cash investment in the underlying lease.

Initial direct costs incurred in arranging the leases have been recognised as an expense when incurred.

The financial statements have been prepared in accordance with the Statement of Recommended Practice on Accounting Issues in the Asset Finance and Leasing Industry, as issued by the Finance & Leasing Association.

c) Interest expense

Interest expense paid on the secured loan notes is accounted for on an accruals basis to give a constant rate of return on the net amount outstanding.

d) Taxation

Current tax, including UK corporation tax and foreign 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.

TRUCK AND RECEIVABLES SECURITISATION LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2005

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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.

2. DIRECTORS AND EMPLOYEES

None of the directors received any emoluments for their services to the Company during the current year or prior period.

None of the directors have any interests in the Company as at the year end or prior period end.

None of the directors had any material interest in any contract of significance in relation to the business of the Company.

The Company does not have any employees (2004: nil).

3. TURNOVER

Turnover represents the income proportion of the finance lease rentals allocated to the year.

4. OTHER OPERATING INCOME

	Period from 14 January 2004 to 31 December	
	2005 £'000	2004 £'000
Gain on disposal of vehicles	562	121
Residual value guarantee	1,976	613
Maintenance income	6,723	3,417
	<u>9,261</u>	<u>4,151</u>

There were no residual value exposures as the Company receives residual value guarantees.

5. ADMINISTRATIVE EXPENSES

The profit/loss on ordinary activities before taxation is stated after charging auditors' remuneration as follows:

	Period from 14 January 2004 to 31 December	
	2005 £'000	2004 £'000
Auditors' fees – audit services	<u>19</u>	<u>20</u>

TRUCK AND RECEIVABLES SECURITISATION LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2005

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £'000	Period from 14 January 2004 to 31 December 2004 £'000
Interest on funds borrowed	5,541	3,347

7. TAXATION ON LOSS ON ORDINARY ACTIVITIES

The tax charge for the year comprises:

	2005 £'000	Period from 14 January 2004 to 31 December 2004 £'000
Current taxation:		
Income tax charge for the year/period	34	-
Deferred taxation:		
Charge/(credit) for the year/period	63	(69)
Under provision in respect of prior periods	6	-
	69	(69)
Tax charge/(credit) for the year/period	103	(69)

The actual tax charge differs from the expected tax charge computed by applying the standard rate of UK corporation tax of 30% (2004: 30%) as follows:

	2005 £'000	Period from 14 January 2004 to 31 December 2004 £'000
Profit/(loss) on ordinary activities before tax	323	(211)
Tax charge/(credit) at 30% thereon	97	(63)
Non-deductible items	-	(6)
Adjustments in respect of prior periods	6	-
Tax charge for the year	103	(69)

A deferred tax asset of £nil (2004: £68,955) in respect of losses and excess capital allowances was recognised as at 31 December 2005.

TRUCK AND RECEIVABLES SECURITISATION LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2005

8. INVESTMENT IN FINANCE LEASE RECEIVABLES

	2005 £'000	2004 £'000
Net investment in finance leases	89,259	94,467
Aggregate rent receivable (see note 9)	490	125
Aggregate cost of assets acquired during the year/period for the purpose of leasing under finance leases	<u>41,745</u>	<u>115,894</u>

Included in net investment in finance lease receivables is £70,834,000 (2004: £56,658,000) which falls due after more than one year.

9. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Finance lease arrears	490	125
Other debtors	<u>2</u>	<u>38</u>
	<u>492</u>	<u>163</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Loans	93,064	98,912
Accrued interest expense	244	245
Other creditors	<u>3,044</u>	<u>3,685</u>
	<u>96,352</u>	<u>102,842</u>

TRUCK AND RECEIVABLES SECURITISATION LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2005

11. DEFERRED TAX LIABILITY

	2005 £'000	2004 £'000
Deferred taxation movement for the year:		
Opening balance	(69)	-
Current year charge/(credit)	97	(69)
Adjustment in respect of prior years	6	-
	<u>34</u>	<u>(69)</u>
Deferred tax liability/(asset)	<u>34</u>	<u>(69)</u>

	2005 £'000	2004 £'000
Capital allowances in excess of depreciation	1,121	582
Origination of losses	(1,087)	(651)
	<u>34</u>	<u>(69)</u>

12. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised		
100 ordinary shares of 100p each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
1 ordinary share paid up at 100p	<u>1</u>	<u>1</u>

The one share of the Company on issue is held by Capita IRG Trustees Limited under the terms of a declaration of a Charitable Trust.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2005	-	(142)	(142)
Retained profit for the year	-	221	221
	<u>-</u>	<u>79</u>	<u>79</u>
At 31 December 2005	<u>-</u>	<u>79</u>	<u>79</u>

TRUCK AND RECEIVABLES SECURITISATION LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2005

14. STATEMENT OF MOVEMENT IN RESERVES

	2005 £'000	2004 £'000
As at 1 January	(142)	-
Profit/(loss) for year/period	221	(142)
As at 31 December	79	(142)

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £'000	Period from 14 January 2004 to 31 December 2004 £'000
Operating profit	5,524	2,981
Increase in debtors	(329)	(163)
(Decrease)/increase in creditors	(641)	3,685
Net cash inflow from operating activities	4,554	6,503

16. ANALYSIS OF CHANGES IN NET DEBT

	As at 31 Dec 2004 £'000	Cash flows £'000	As at 31 Dec 2005 £'000
Cash at bank and in hand	8,001	(1,287)	6,714
Debt due within one year	(98,912)	5,848	(93,064)
Total	(90,911)	4,561	(86,350)

Reconciliation of net cash flow to movement in net debt

	2005 £'000
Net debt as at 1 January 2005	(90,911)
Decrease in cash in the year	(1,287)
Cash inflow from decrease in debt	5,848
Movement in net debt in the year	4,561
Net debt as at 31 December 2005	(86,350)

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

17. FINANCIAL INSTRUMENTS

Maturity of financial assets and liabilities

The maturity profile of the Company's financial assets at 31 December was as follows:

	2005	2004
	£'000	£'000
In one year or less, or on demand	25,631	46,042
In more than one year but not more than two years	70,834	56,658
	<u>96,465</u>	<u>102,700</u>

The maturity profile of the Company's financial liabilities at 31 December was as follows:

	2005	2004
	£'000	£'000
In one year or less, or on demand	96,386	102,842
	<u>96,386</u>	<u>102,842</u>

18. RELATED PARTY DISCLOSURES

MAN Financial Services plc. is deemed to be a related party by virtue of the fact that it manages the day to day operations of the Company and has influence over the Company's financial and operating policies.

During the year the Company purchased £41,844,877 (2004: 115,893,772) and sold back £20,478,290 (2004: 7,897,087) of commercial trucks and their associated lease receivables from MAN Financial Services plc. The Company owed MAN Financial Services plc. £261,620 (2004: £84,178) at year end in respect of these transactions.

The Company received a loan from MAN Financial Services plc during the period, of which £14,930,036 (2004: £15,853,216) was outstanding at year end. Interest paid on the loan during the year was £1,192,305 (2004: £713,982) of which £52,936 (2004: £58,217) was still payable at period end.

The Company also entered into servicing and maintenance contracts with MAN Financial Services plc incurring £1,576,285 (2004: £1,108,480) and £6,608,675 (2004: £3,385,243) during the year respectively, of which £52,280 (2004: £111,351) and £847,887 (2004: £776,168) were still payable at year end.