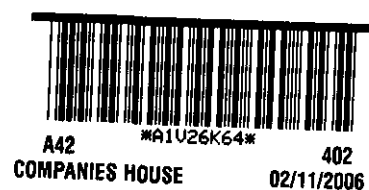


ANNUAL REPORT AND FINANCIAL STATEMENTS
PMAC FUNDING 05-1 LIMITED
FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005
COMPANY REGISTRATION NO. 5321135



PMAC FUNDING 05-1 LIMITED

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PMAC FUNDING 05-1 LIMITED

DIRECTORS

Capita Trust Company Limited
Adrian Walton Gower

SECRETARY

Capita Trust Secretaries Limited
7th Floor
Phoenix House
18 King William Street
London
EC4N 7HE

REGISTERED ADDRESS

7th Floor
Phoenix House
18 King William Street
London
EC4N 7HE

BANKERS

Barclays Bank PLC
54 Lombard Street
London
EC3V 9EX

AUDITORS

PricewaterhouseCoopers LLP
Southwark Towers
32 London Bridge Street
London
SE1 9SY

PMAC FUNDING 05-1 LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from incorporation up to 31 December 2005.

INCORPORATION

The company was incorporated on 24 December 2004 in United Kingdom and commenced trading on 18 March 2005.

ACTIVITIES

The principal activity of the company has been to acquire a portfolio of mortgage loans, using funding from mortgage-linked notes issued by PMAC 05-1 plc, which was loaned to the company. The income from the mortgage loans is then passed from the company to PMAC 05-1 plc, which is distributed to the notes investors.

The company is at risk of reduced income if sufficient numbers of the mortgage loans are in arrears with severity. However, there is no fixed rate of interest payable on the issued notes and so the company will not be at risk from a cash flow shortage.

Note 16 summarises the risks facing the company and the actions that have been taken by the company to mitigate them.

The directors expect that the present level of activity will be sustained in the near future.

RESULTS AND DIVIDENDS

The company made a profit after tax of £341 for the period.

No dividend had been proposed by the directors for the financial period ended 31 December 2005.

REVIEW OF DEVELOPMENTS

The company purchased a portfolio of mortgages totalling £125,100,000, at a premium £1,401,120. The purchase was financed by a loan from PMAC 05-1 plc to the company of £126,501,120 which includes a premium of £1,401,120. The company has performed as expected in yielding steady loan interest for the investors.

Given the straightforward nature of the business, the company's directors are of the opinion that an analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

DIRECTORS' AND THEIR INTERESTS

The directors of the company at 31 December 2005 were as follows:-

Capita Trust Company Limited (Appointed 24 December 2004)

Adrian Walton Gower (Appointed 24 December 2004)

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

PMAC FUNDING 05-1 LIMITED

EMPLOYEES

The company had no employees in the current period.

CREDITOR PAYMENT POLICY

The company's policy in respect of each creditor is to settle the obligation based on the terms of the contract entered into.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, were appointed during the year to fill a casual vacancy. A resolution concerning their re-appointment will be proposed at the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 of the company for that period. In preparing those financial statements, the directors are required to:-

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the 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 are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that:

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Director

DATE

20 October 2006

PMAC FUNDING 05-1 LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PMAC FUNDING 05-1 LIMITED**

We have audited the financial statements of PMAC Funding 05-1 Limited for the period from incorporation to 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's member as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 other 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 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 judgments 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 period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

Date: 31 oct 2006

PMAC FUNDING 05-1 LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005**

	Notes	31 December 2005 £
Interest receivable	2	5,801,745
Interest payable	3	(5,291,955)
Net interest income		<u>509,790</u>
Fees receivable and other income	4	149,911
Net revenue		<u>659,701</u>
Administrative expenses	5	(659,214)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>487</u>
Tax on profit on ordinary activities	8	(146)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	<u><u>£341</u></u>

The company had no recognised gains or losses for the current period, other than those shown above.

The profit for the period was derived from continuing operations.

The notes on pages 7 to 14 form part of these financial statements.

PMAC FUNDING 05-1 LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2005

	Notes	2005 £
FIXED ASSETS	9	118,184,830
CURRENT ASSETS		
Debtors: Amounts falling due within one year	10	437,393
Cash at bank		1,605,102
		2,042,495
CREDITORS: amounts falling due within one year	11	(39,987,592)
TOTAL ASSETS LESS CURRENT LIABILITIES		80,239,733
CREDITORS: amounts falling due after one more than one year	12	(80,239,391)
NET ASSETS		£342
CAPITAL AND RESERVES		
Called up share capital	13	1
Profit and loss account	14	341
	15	£342

The notes on pages 7 to 14 form part of these financial statements.

These financial statements were approved by the board of directors and signed on its behalf by:-


DIRECTOR

3, October 2006
DATE

PMAC FUNDING 05-1 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005****1. ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial instruments, in accordance with applicable accounting standards.

The company has adapted the presentation of the profit and loss account and has adopted a format which differs from those presented by Schedule 4 of the Companies Act which, in the opinion of the directors, is more representative in order to show a true and fair view of the company's activities.

Revenue recognition

Interest income, interest expense, fees receivable from customers (including provision for loan losses) and fees payable are recognised in the profit and loss account on an accruals basis.

Mortgage loans

Mortgage loans have been purchased at a premium from GMAC-RFC Limited. The mortgage loans are stated at cost less provision for diminution in value. The premium is being amortised over a 60 month period. The 60 months period represents the estimated period it will take for the mortgage loans to be repaid.

Loan payable

The loan payable represents an amount owed to PMAC 05-1 plc (see "Activities" in Directors' Report) and includes an amount borrowed to fund the loan premium. The loan payable is initially recognised at fair value plus directly related transaction costs and is classified as loans and payables. They are subsequently measured at amortised cost using the effective interest method (see note in respect of Interest Income) less any impairment losses. The premium is being amortised over a 60 month period, using the effective interest method. The 60 month period represents the estimated period it will take for the loans to be repaid.

PMAC FUNDING 05-1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005

Provision for losses

Provisions for losses on mortgage loans, which include both those specifically identified and those provided for on a general basis, have been based upon a year end appraisal of the assets concerned. The amount charged to the profit and loss account represents losses written off in the period together with the increase in the ongoing provision.

Cash flow statement and related party disclosure

The company is a wholly owned subsidiary of PMAC 05-01 Holdings Limited, incorporated in England & Wales, whose accounts are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions (but not balances) with entities that are part of the PMAC 05-01 Holdings Limited Group or members of the PMAC 05-01 Holdings Limited Group.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised in respect of 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. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are the differences between the company's taxable profits and its result as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

2. INTEREST RECEIVABLE

	2005 £
Loan interest receivable	5,494,604
Bank interest receivable	73,621
Amortisation of loan premium	233,520
	<u>£5,801,745</u>

PMAC FUNDING 05-1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005

3. INTEREST PAYABLE

	2005 £
Loans payable	5,065,293
Amortisation of loan premium	226,662
	<u>£5,291,955</u>

4. OTHER INCOME

	2005 £
Servicer fees receivable	<u>£149,911</u>

5. ADMINISTRATIVE EXPENSES

	2005 £
Set up costs	130,312
Loss provision	309,180
Servicing operational expenses	196,598
Audit fees	8,402
Trustees fees	8,923
Bank charges	5,333
Other expenses	466
	<u>£659,214</u>

6. DIRECTORS' EMOLUMENTS

	2005 £ -
Directors' emoluments	<u>£ -</u>

There were no directors' emoluments paid during the period ended 31 December 2005.

7. EMPLOYEE INFORMATION

There were no persons directly employed by the company during the period ended 31 December 2005.

PMAC FUNDING 05-1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £
(a) Analysis of the tax charge for the period:	
United Kingdom Corporation tax charge at 30%	146

Current tax charge for the period	146
Deferred taxation	-

Tax on profit on ordinary activities	<u>£146</u>
	=====
(b) Factors affecting the current tax charge for the period:	2005 £
Profit before tax	487
Tax on profit at 30%	146

Current tax charge for the period	<u>£146</u>
	=====

9. FIXED ASSETS

	Cost 2005 £
Mortgage loans	125,100,000
Principal repayments during the year	(7,739,301)
Loan loss provision	(309,180)

	117,051,519

Mortgage loan premium	1,133,311

	<u>£118,184,830</u>
	=====

Pursuant to the terms of a Mortgage Sale Agreement, the company purchased a portfolio of residential mortgages from GMAC-RFC Limited at a premium of £1,359,973 (being the original premium amount of £1,401,120 less an offset of £41,147 that was an outstanding balance owed by GMAC-RFC Limited).

During the year the amortisation of loan premium totalled £226,662. The amount represents 10 months of amortisation, which is the period from the commencement of trade (18 March 2005) to 31 December 2005.

PMAC FUNDING 05-1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005

10. DEBTORS

	2005
	£
Due within one year:	
Interest receivable	2,150
Due from mortgage administrator	435,243
	<u>£437,393</u>

11. CREDITORS: Amounts falling due within one year:

	2005
	£
Master servicing clearing	34,605
Sundry creditors	28,166
Foreign taxation	146
Loan payable	39,135,586
Loan premium payable	385,308
Inter company loan payable	403,781
	<u>£39,987,592</u>

12. CREDITORS: Amounts falling due after one year:

	Cost
	2005
	£
Loan payable	79,457,099
Loan premium payable	782,292
	<u>£80,239,391</u>

Maturity of financial liabilities

The maturity profile of the loan notes is in line with the redemption profile of the principal balances of the mortgage loans on which the loans are backed. The maturity profile of the carrying amount of the company's non-current liabilities at 31 December 2005 was as follows:

In more than one year but not more than two years	42,860,669
In more than two years but not more than five years	35,294,624
In more than five years	2,084,098
	<u>£80,239,391</u>

PMAC FUNDING 05-1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005

12. CREDITORS: Amounts falling due after one year: (Cont.)

The loan does not bear a pre-determined rate of interest. Interest is payable on the loan on each interest payment date in an amount equal to 99.99% of the amount outstanding to the credit of the Funding Available Revenue Ledger immediately preceding the interest payment date less certain costs and expenses.

The company's obligations under the loan will be secured on the mortgage loans under a deed of charge.

13. SHARE CAPITAL

	2005 £
<i>Authorised share capital</i>	
100 Ordinary shares of £1 each	£100
	=====
<i>Allotted, called and fully paid</i>	
1 Ordinary share of £1 each	£1
	=====

14. RESERVES

	2005 £
Retained profit for the period at 31 December 2005	£341
	=====

15. RECONCILIATION OF SHAREHOLDER'S FUND

	2005 £
Issued share capital	1
Profit for the financial period	341

As at 31 December 2005	£342
	=====

16. FINANCIAL INSTRUMENTS

The company has made use of the following methods in order to manage interest rate transactions:

Liquidity risk

The company does not believe it is subject to any material liquidity risk as payments of interest and principal are linked to receipts of interest and principal.

PMAC FUNDING 05-1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005

Interest rate risk

The company has entered into a guaranteed investment contract with Barclays Bank plc and does not believe it is subject to any material interest rate risk because the rate of interest payable is linked to the rate of interest receivable less certain expenses.

Currency Exposure

As at 31 December 2005 the company had no currency exposures. All material financial assets and liabilities are denominated in Sterling.

Fair value of financial assets and liabilities

	Book Value 2005 £	Fair Value 2005 £
Loans and obligations due within one year	£39,520,894	£39,520,894
Loans and obligations due in more than one ear but not more than two years	£42,860,669	£42,860,669
Loans and obligations due in more than two years but not more than five years	£35,294,624	£35,294,624
Loans and obligations due in more than five years	<u>£2,084,098</u>	<u>£2,084,098</u>
 Maturity of financial liabilities		2005 £
Amounts falling due:		
In one year or less or on demand		39,520,894
In more than one year but not more than two years		42,860,669
In more than two years but not more than five years		35,294,624
In more than five years		2,084,098
		<u>£119,760,285</u>

The maturity profile is determined by reference to the earliest date on which payable can be required or on which the liability falls due.

17. CAPITAL COMMITMENTS

There were no outstanding capital commitments as at 31 December 2005.

18. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent company is PMAC Holding 05-1 Limited. Copies of the consolidated accounts of PMAC Holding 05-1 Limited, which include PMAC Funding 05-1 Limited figures, can be found at the registered office of the Company, being 7th Floor, Phoenix House, 18 King William Street, London, EC4N 7HE. The ultimate parent undertaking is Capita IRG Trustees Limited.

PMAC FUNDING 05-1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2005

19. RELATED PARTY TRANSACTIONS

The directors of the company, the corporate secretary and the security trustee are either employed by or are provided by companies whose ultimate parent is the Capita Group plc, a company listed on the London Stock Exchange. These operating companies provide directors, company administration, trustee and secretaries services to the company at normal commercial rates.

The company received the Funding Loan Transaction from PMAC 05-1 plc to fund the acquisition of the Mortgage Loans from GMAC-RFC Limited.

Trustee fees are paid by the company to Capita IRG Trustees Limited for their administration of the PMAC entities.

At period end 31 December 2005 the company owes the principal balance of £118,592,685 to PMAC 05-1 plc and £403,781 of interest payable. The company has repaid principal and interest of £6,507,315 and £4,661,864 (total: £11,169,179) of the funding loan during the period.