

HIGHWAY VEHICLE LEASING LIMITED

Report and Financial Statements

31 December 2001

**Deloitte & Touche
PO Box 500
201 Deansgate
Manchester
M60 2AT**



HIGHWAY VEHICLE LEASING LIMITED

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

First National Corporate Director Limited

SECRETARY

Abbey National Secretariat Services Limited

REGISTERED OFFICE

First National House
College Road
Harrow
Middlesex
HA1 1FB

AUDITORS

Deloitte & Touche
Chartered Accountants
201 Deansgate
Manchester
M60 2AT

DIRECTORS' REPORT

The Directors submit their report together with the accounts for the year ended 31 December 2001.

1. Principal activity and review of the year

The Company has not traded during the period.

2. Directors and their interests

The Directors who served during the year were:

N Fincham

D H Stewart

resigned 30th September 2001

J Sturt-Scobie

Since the year end N Fincham resigned as a director on 16th January 2002, J Sturt-Scobie resigned on 13th February 2002 and First National Corporate Director Limited has been appointed a director on 15th January 2002.

None of the Directors had a beneficial interest in the shares of the Company at the year end.

The interests of J Sturt-Scobie in the shares of the ultimate holding company, Abbey National Plc, are disclosed in the accounts of First National Vehicle Holdings Limited an intermediate holding company.

N Fincham had no interests in the shares of the ultimate holding company, Abbey National Plc.

3. Auditors

The annual accounts have not been audited because the Company is entitled to the exemption provided by Section 249AA of the Companies Act 1985 relating to dormant companies and no notice under Section 249B(2) has been deposited at the Company's registered office requiring the Company to obtain an audit of the accounts.

By Order of the Board



Secretary for and on behalf of

Abbey National Secretariat Services Limited

26 March 2002

First National House
College Road
Harrow
Middlesex
HA1 1FB

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 group and company as at the end of the financial year and of the profit or loss of the group and company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 group and company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HIGHWAY VEHICLE LEASING LIMITED

BALANCE SHEET 31 December 2001

| | Note | 31 December 2001 £'000 | 31 December 2000 £'000 |
|---|------|------------------------------|------------------------------|
| FIXED ASSETS | | | |
| Investments | 2 | 350 | 350 |
| CURRENT ASSETS | | | |
| Debtors – due within one year | 3 | 16,000 | 16,000 |
| CREDITORS: amounts falling due within one year | 4 | (350) | (350) |
| | | 15,650 | 15,650 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 16,000 | 16,000 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 5 | 1,288 | 1,288 |
| Capital redemption reserve | 6 | 100 | 100 |
| Profit and loss account | 6 | 14,612 | 14,612 |
| Equity shareholders' funds | | 16,000 | 16,000 |

The company is entitled to exemption under Subsection (1) of Section 249AA of the Companies Act 1985 in respect of its accounts for the year ended 31 December 2001. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with Section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 26 March 2002.

Signed on behalf of the Board of Directors

X 

- Director

S. PATEL.

HIGHWAY VEHICLE LEASING LIMITED

NOTES TO THE ACCOUNTS Period ended 31 December 2001

1. ACCOUNTING POLICY

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable Accounting Standards.

2. INVESTMENTS

| | Subsidiary £'000 |
|--|---------------------|
| Cost or valuation | |
| At 1 January 2001 and 31 December 2001 | 350 |

Subsidiary undertaking

The company has one wholly owned subsidiary undertaking at 31 December 2001, Highway Contract Hire Limited (registered in England), which is dormant.

3. DEBTORS

| | 31 December 2001 £'000 | 31 December 2000 £'000 |
|---------------------------------|------------------------------|------------------------------|
| Due within one year | | |
| Amounts owed by group companies | 16,000 | 16,000 |

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31 December 2001 £'000 | 31 December 2000 £'000 |
|---------------------------------|------------------------------|------------------------------|
| Amounts owed to group companies | 350 | 350 |

5. CALLED UP SHARE CAPITAL

| | Authorised | | Allotted and fully paid | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 31 December 2001 £'000 | 31 December 2000 £'000 | 31 December 2001 £'000 | 31 December 2000 £'000 |
| Ordinary shares of 10p | 1,223 | 1,223 | 1,159 | 1,159 |
| Preferred ordinary shares of 10p | 129 | 129 | 129 | 129 |
| 18% Cumulative redeemable preference shares of 10p each | 100 | 100 | - | - |
| Unclassified shares of £1 | 3,548 | 3,548 | - | - |
| | <u>5,000</u> | <u>5,000</u> | <u>1,288</u> | <u>1,288</u> |

NOTES TO THE ACCOUNTS
Period ended 31 December 2001

6. RESERVES

| | Profit and loss account £'000 | Capital Redemption Reserve £'000 |
|--|--|---|
| At 1 January 2001 and 31 December 2001 | 14,612 | 100 |

7. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent company and ultimate controlling party is Abbey National Plc, a company incorporated in Great Britain. Abbey National Plc is the parent undertaking of the largest group, which includes the company and for which group accounts are prepared. The parent undertaking of the smallest such group is First National Bank Plc, a company incorporated in Great Britain. Copies of the group financial statements of First National Bank Plc and Abbey National Plc are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ. The company's immediate controlling party is Highway Vehicle Management Limited.