

SCOTTISH PROVIDENT PENSION TRUSTEES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2001

REGISTERED NO 2404622



Contents

Directors' report	1
Statement of directors' responsibilities	2
Auditors' report to the members of Scottish Provident Pension Trustees Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

Principal activities

The company acts as trustee of certain pension and life assurance schemes.

Business review and future developments

During the year the company earned fees of £142,934 (2000: £122,283). The company will continue to act as trustee of certain pension and life assurance schemes.

Results and dividends

The company did not make a profit or a loss during the year (2000: £nil). The directors do not recommend the payment of a dividend.

Directors and directors' interests

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

JM Joyce	(appointed 1 August 2001)
GR Pottinger	(appointed 1 August 2001)
DE Woods	(appointed 1 August 2001)
K Smyth	(resigned 1 August 2001)
RT Seymour-Jackson	(resigned 1 August 2001)
M Nicholson	(resigned 1 August 2001)
J Buchanan	(resigned 28 December 2000)

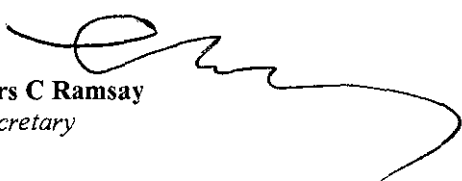
Further information regarding directors is disclosed at note 2 to the financial statements

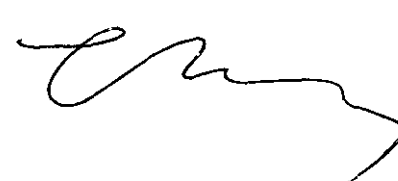
Auditors

In accordance with Section 386 of the Companies Act 1985, the Company will elect to dispense with the obligation to appoint auditors annually.

The Directors resolve to appoint Deloitte & Touche as auditors of the company, in accordance with the resolution by Abbey National plc to appoint Deloitte & Touche as auditors of Abbey National plc and its subsidiaries.

By order of the board


Mrs C Ramsay
Secretary


301 St Vincent Street
Glasgow
15 February 2002

Statement of directors' responsibilities

The Directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and the profit or loss for that period.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 2001. The Directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

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 Company's system of internal control and 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 SCOTTISH PROVIDENT PENSION TRUSTEES LIMITED

We have audited the financial statements of Scottish Provident Pension Trustees Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 6. 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 of the state of the company's affairs as at 31 December 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
39 George Street
Edinburgh
EH2 2HZ
15 February 2002

Profit and loss account
for the year ended 31 December 2001

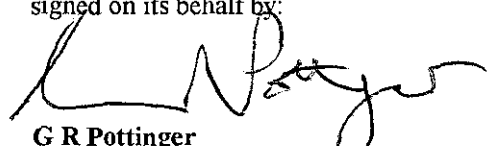
	<i>Note</i>	2001 £	2000 £
Turnover – continuing activities	<i>1</i>	142,934	122,283
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		142,934	122,283
Administrative expenses	<i>1</i>	(142,934)	(122,283)
		<hr/>	<hr/>
Retained profit for the year		-	-
		<hr/>	<hr/>

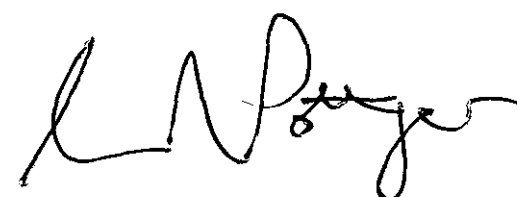
There are no recognised gains or losses in either the current or previous financial years other than the result for the current and prior financial year, therefore no statement of total recognised gains and losses is required.

Balance sheet
at 31 December 2001

	<i>Note</i>	2001 £	2000 £
Current assets			
Debtors	3	118,539	86,478
Cash at bank and in hand		66,229	17,536
		<hr/>	<hr/>
		184,768	104,014
Current liabilities			
Creditors: amounts falling due within one year	4	184,668	103,914
		<hr/>	<hr/>
Net current assets		100	100
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	5	100	100
Profit and loss account		-	-
		<hr/>	<hr/>
Equity shareholders' funds		100	100
		<hr/>	<hr/>

The financial statements on pages 4 to 8 were approved by the board of directors on 15 February 2002 and were signed on its behalf by:


G R Pottinger
 Director



Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which were considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The Company is a wholly owned subsidiary of Abbey National plc, a Company incorporated in Great Britain. Accordingly the Company is not required to produce a cash flow statement as prescribed in paragraph 5 (a) of Financial Reporting Standard No.1 (revised 1996), Cash Flow Statements.

There were no related party transactions during the period, or existing at the balance sheet date, with Directors of the Company.

The Company has taken advantage of the exemption covered by paragraph 3(c) of FRS8 'Related Party Disclosures' not to disclose transactions with entities that are part of the Abbey National Group.

Turnover

Turnover represents the amounts (excluding VAT) derived from the provision of services to small self-administered schemes.

Administrative expenses

Administrative expenses include fees (excluding VAT) rendered by the parent undertaking for the administration of the company. Auditors' remuneration is paid by the ultimate parent company.

2 Directors' remuneration

The company has no employees.

No remuneration was paid to the directors of the Company.

The directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of 10p each of Abbey National plc, the company's ultimate parent company, as recorded in the register of directors' share and debenture interests.

Ordinary Shares 10p each

Directors	As at 1 January 2001 or at date of appointment if later.	Shares acquired during the year or since appointment if later.	Shares disposed of during the year or since appointment if later.	As at 31 December 2001
J M Joyce	2,004	9	-	2,013
G R Pottinger	23,563	130	-	23,693
D E Woods	-	-	-	-

Option Schemes - Ordinary Shares 10p each

Directors	As at 1 January 2001 or at date of appointment if later.	Options granted during the year or since appointment if later.	Options exercised during the year or since appointment if later.	As at 31 December 2001
J M Joyce	51,440	-	-	51,440
G R Pottinger	92,257	325	-	92,582
D E Woods	-	625	-	625

The options referred to above are those granted by the Abbey National plc Executive, All-Employee and Sharesave share option schemes.

Options granted during the period under the All-Employee Share Option Scheme were granted at 1,131p and are exercisable between 2004 and 2011. The market price of the shares at 31 December 2001 was 980p and the range during 2001 was 1,305p to 885p.

Notes (continued)

3 Debtors

	2001 £	2000 £
Trade debtors	294,681	206,038
Provision for bad debts	(176,142)	(119,560)
	<u>118,539</u>	<u>86,478</u>

4 Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts owed to group undertakings	<u>184,668</u>	<u>103,914</u>

5 Called up share capital

	2001 £	2000 £
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

6 Ultimate parent company

Scottish Provident Pension Trustees Limited is incorporated in Scotland. The immediate parent company at the end of the year is Scottish Provident Limited. Scottish Provident Limited produces consolidated accounts which are then consolidated into the group accounts produced by Abbey National plc.

On 1 August 2001, the business of the Scottish Provident Institution (the company's former parent company) was transferred to Scottish Provident Limited under a scheme pursuant to section 49 of, and Part 1 of Schedule 2C to, the former Insurance Companies Act 1982 (as amended).

The ultimate parent and controlling party is Abbey National plc, which is registered in England and Wales. The consolidated accounts of Abbey National plc are available to the public and may be obtained from Abbey National plc, Abbey National House, 2 Triton Square, Regent's Place, London, NW1 3AN or www.abbeynational.plc.uk