

PECOH LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003
Registered No. 3982397



PECOH LIMITED

Report of the Directors

The Directors submit their report together with the accounts for the year ended 31 December 2003.

1. Principal activity and review of the year

The principal activity of the Company is to hold options to call bonds, notes, obligations and securities issued or guaranteed by any group company and any options or rights in respect of them. No future changes in activity are envisaged.

2. Results and Dividend

The Company has not traded during the current or previous year. No significant accounting transactions as required to be entered in the Company's accounting records by section 221 of the Companies Act 1985 have occurred during the period under review and therefore the Company is considered to be dormant. The directors do not propose the payment of a dividend (2002 - £nil).

3. Directors and their interests

The Directors who served throughout the year, except as noted below were:

M McDermott	
R Wise	(resigned 1 September 2003)
D Green	(appointed 1 September 2003)
SPV Management Limited	

At the year-end, Holmes Holdings Limited and M. McDermott jointly held one share in the Company. The other share was held by Holmes Holdings Limited.

SPV Management Ltd and M. McDermott jointly held one share in the holding company, Holmes Holdings Limited, at the year-end. The other share in Holmes Holdings Limited was held by SPV Management Limited. None of the other Directors had an interest in the shares of the Company, or any other group company, at any time during the year.

4. Directors' Responsibilities in respect of the Preparation of Accounts

The Directors are required by United Kingdom 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 of the profit or loss of the Company for that year.

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 2003. 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.

PECOH LIMITED

Report of the Directors (continued)

5. 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

A handwritten signature in black ink, appearing to be 'JH' or similar, written over a horizontal line.

For and behalf of
Abbey National Secretariat Services Limited, Secretary

9th August 2004.

Registered Office:
Abbey National House
2 Triton Square,
Regent's Place,
London,
NW1 3AN.

PECOH LIMITED

Balance Sheet

As at 31 December 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Debtors	3	<u>2</u>	<u>2</u>
NET CURRENT ASSETS		<u>2</u>	<u>2</u>
CAPITAL and RESERVES			
Called up share capital	4	<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS	5	<u>2</u>	<u>2</u>

The Company had no significant financial transactions (as defined by Section 221 of the Companies Act 1985) during the current or previous financial year, and accordingly no profit and loss account or statement of recognised gains and losses has been presented.


The financial statements for the year ended 31 December 2003 have not been audited because the company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the company to obtain an audit of these financial statements 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 financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for 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 financial statements, so far as applicable to the company.

The financial statements on page 4 to 6 were approved by the Board of Directors on

9th August 2004.

Signed on behalf of the Board of Directors



Director

PECOH LIMITED

Notes to the Accounts for the year ended 31 December 2003

1. Accounting Policies

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

The Company is a wholly owned subsidiary of Holmes Holdings Limited, 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 FRS 1 (revised 1996), "Cash flow statements".

2. Profit on Ordinary Activities Before Taxation

The Company has no employees (2002 – nil).

No emoluments were paid to the Directors by the Company during the year (2002 - £nil).

All administrative expenses in the current and prior year (including auditors remuneration) were paid for, and borne, by Holmes Holdings Limited, the immediate parent company. Because of this, no expenses are shown in the Company.

3. Debtors

	2003 £	2002 £
Due from parent undertaking		
- Called up share capital not paid	<u>2</u>	<u>2</u>

4. Share Capital

	2003 £	2002 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and not paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

5. Capital Commitments and Contingent Liabilities

There were no outstanding capital commitments or contingent liabilities at 31 December 2003 (2002: £nil).

6. Related Party Transactions

The Company has taken advantage of the exemption covered by paragraph 3 (c) of FRS 8, "Related party disclosures", not to disclose transactions with entities that are part of the Holmes Group.

PECOH LIMITED

Notes to the Accounts for the year ended 31 December 2003 (continued)

7. Parent and Controlling Party

The immediate parent of the Company is Holmes Holdings Limited, a company incorporated in Great Britain and registered in England and Wales, which prepares the only accounts into which the Company is consolidated. SPV Management Limited, a company incorporated in Great Britain and registered in England and Wales, holds all of the beneficial interest in the issued shares of Holmes Holdings Limited on a discretionary trust for persons employed as nurses in the United Kingdom and for charitable purposes.

The administration, operations, accounting and financial reporting functions of the Company are performed by Abbey National plc, which is incorporated in Great Britain.