

Registered Number 817696

GUARDIAN LEASING (NO.1) LIMITED

Directors' Report and Financial Statements for the

year ended 31 December 2000



Registered Office: 107 Cheapside, London EC2V 6DU

GUARDIAN LEASING (NO.1) LIMITED

DIRECTORS

P. J. Evans
I. D. Richardson

SECRETARY

I. D. Richardson

AUDITORS

PricewaterhouseCoopers

GUARDIAN LEASING (NO.1) LIMITED
DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2000.

REVIEW OF ACTIVITIES

The principal activity of the Company is the business of finance leasing.

Both the trading result and the year end financial position were satisfactory and the directors expect that this position will be sustained for the foreseeable future.

DIRECTORS

The directors of the Company at the date of this report are shown on page 2.

Mr. P. J. Evans was appointed a director on 31 July 2000, on which date Mr. J. V. F. Roberts resigned as a director.

DIRECTORS' INTERESTS

According to the register of directors' interests, the interests of directors in the share capital and debentures of the Company, its ultimate holding company (AXA) or subsidiaries of the ultimate holding company are as follows:

Interests in Shares and Units

	AXA SA		Units in AXA Plan 2000 Global Fund
	Shares of €9.15 each		
	At 1 January 2000 (or date of appointment, if later)	At 31 December 2000	At 31 December 2000
P. J. Evans (appointed 31.7.00)	-	-	40.1017
I. D. Richardson	294	294	112.1989

The units in the AXA Plan 2000 Global Fund were issued during the year. No units were in issue at 1 January 2000.

GUARDIAN LEASING (NO.1) LIMITED
DIRECTORS' REPORT (cont)

Interests in Debentures

	AXA SA	Loan Notes of £1 each At 31 December 2000
I. D. Richardson		93,875

AXA SA Loan Notes were issued during the year. No Loan Notes were in issue at 1 January 2000.

Interests in Options

	AXA SA			
	At 1 January 2000 (or date of appointment, if later)	During year		At 31 December 2000
	Options to subscribe for Shares	Options granted	Options exercised	Options to subscribe for Shares
P. J. Evans (appointed 31.7.00)	2,500	-	-	2,500
I. D. Richardson	-	2,845	-	2,845
“	-	1,605.99*	-	1,605.99*

The options outstanding at 31 December 2000 are exercisable at any time between 5 July 2002 and 11 July 2010 at prices between €163.84 and €164.22 per share. Certain options (marked*) granted during the year, following a Scheme of Arrangement under which AXA UK plc became a wholly-owned subsidiary of AXA on 12 July 2000, are exercisable at any time between 12 July 2002 and 12 August 2002 at an aggregate price of £1.

GUARDIAN LEASING (NO.1) LIMITED
DIRECTORS' REPORT (cont)

	AXA UK plc			
	At 1 January 2000	During year		At 31 December 2000
	Options to subscribe for Ordinary Shares	Options exercised	Options lapsed	Options to subscribe for Ordinary Shares
I. D. Richardson	93,494	-	91,114	2,380

The options outstanding at 31 December 2000 are exercisable at any time between 1 January 2003 and 30 June 2003 at a price of 407 pence per share.

AUDITORS

Under Section 379A of the Companies Act 1985, the Company has elected to dispense with the following obligations:

- to lay accounts and reports before general meetings;
- to hold annual general meetings; and
- to appoint auditors annually.

By Order of the Board



I. D. Richardson
Secretary
30 May 2001

GUARDIAN LEASING (NO.1) LIMITED

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for ensuring that reasonable steps are taken to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

The directors are required to maintain proper accounting records and to prepare financial statements in respect of each accounting period 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 accordance with the provisions of the Companies Act 1985.

In preparing these financial statements the directors have ensured that applicable accounting standards have been followed and that suitable accounting policies have been used on a consistent basis. The directors have also ensured that where necessary the accounts are supported by reasonable and prudent judgements and estimates.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the financial statements.

GUARDIAN LEASING (NO.1) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF GUARDIAN LEASING (NO.1) LIMITED

We have audited the financial statements on pages 8 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 6, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 transactions is not disclosed.

We read the other information contained in the Annual Report 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 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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
30 May 2001

GUARDIAN LEASING (NO.1) LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

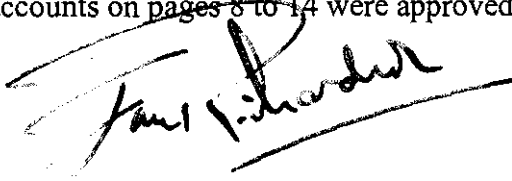
	Continuing operations	
	2000	1999
	£	£
Turnover (policy II)		
Rentals receivable	247,786	313,492
Less capital repayments	(231,445)	(283,543)
Operating profit	<u>16,341</u>	<u>29,949</u>
Interest payable and similar charges (note 1)	(3,786)	(10,087)
Profit on ordinary activities before taxation	<u>12,555</u>	<u>19,862</u>
Taxation on profit on ordinary activities (note 2)	(460)	(6,009)
Profit on ordinary activities after taxation	<u>12,095</u>	<u>13,853</u>
Dividend	-	-
Transfer to reserves (note 8)	<u>12,095</u>	<u>13,853</u>

GUARDIAN LEASING (NO.1) LIMITED

BALANCE SHEET as at 31 December 2000

	2000 £	1999 £
Current assets		
Debtors - amounts falling due within one year		
- Finance leases (note 3)	146,221	231,445
- Other debtors (note 4)	97,326	69,421
	<u>243,547</u>	<u>300,866</u>
Debtors - amounts falling due after more than one year		
- Finance leases (note 3)	31,543	177,764
	<u>275,090</u>	<u>478,630</u>
Creditors - amounts falling due within one year		
- Loans (note 6)	-	(49,937)
- Other creditors (note 5)	(176,108)	(284,048)
	<u>(176,108)</u>	<u>(333,985)</u>
Total assets less current liabilities	98,982	144,645
Provision for liabilities and charges		
- Deferred taxation (note 2)	(53,330)	(111,088)
	<u>45,652</u>	<u>33,557</u>
Representing:		
Called up share capital (note 7)	100	100
Profit and loss account (note 8)	45,552	33,457
Equity shareholders' funds	<u>45,652</u>	<u>33,557</u>

The accounts on pages 8 to 14 were approved by the directors and signed on 30 May 2001.


I. D. Richardson
Director
London, 30 May 2001

GUARDIAN LEASING (NO.1) LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2000

	2000 £	1999 £
Profit after taxation	12,095	13,853
Total recognised gains and losses relating to the year	<u>12,095</u>	<u>13,853</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the year ended 31 December 2000

	2000 £	1999 £
Profit for the financial year	12,095	13,853
Dividends	-	-
Net increase in shareholders' funds	<u>12,095</u>	<u>13,853</u>
Shareholders' funds at beginning of year	33,557	19,704
Shareholders' funds at end of year	<u>45,652</u>	<u>33,557</u>

ACCOUNTING POLICIES

I Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards.

II Turnover

The finance income element of gross lease rentals is recognised in the profit and loss account on a basis that produces a constant periodic rate of return on the net cash flows relating to the portfolio of finance leases.

III Deferred taxation

Provision is made for deferred taxation on timing differences where it is considered that a liability will arise in the foreseeable future.

IV Sale and leaseback agreements

Amounts due under finance leases from sale and lease back agreements are included as loans with credit institutions, in accordance with the requirements of FRS5 – Reporting the substance of transactions.

GUARDIAN LEASING (NO.1) LIMITED

NOTES ON THE ACCOUNTS

1.	Interest payable	2000	1999
		£	£
	On loans repayable within 5 years by instalment:		
	Credit institutions	3,786	10,087
		<u> </u>	<u> </u>

2. Taxation

The taxation charge/(credit) in the profit and loss account is based on the results appearing in the profit and loss account and is detailed below:-

	2000	1999
	£	£
Current taxation		
United Kingdom taxation:		
Corporation tax at a rate of 30% (1999 - 30.25%)	58,218	(5,548)
Deferred taxation	(57,758)	11,557
	<u> </u>	<u> </u>
Taxation charged in profit and loss account	460	6,009
	<u> </u>	<u> </u>

Balance sheet liabilities for deferred taxation represent

	2000	1999
	£	£
Other timing differences	53,330	111,088
	<u> </u>	<u> </u>

Deferred taxation on timing differences has been provided where it is considered that a liability will arise in the foreseeable future, in accordance with accounting policy III. If taxation had been charged on the full amount of other timing differences the additional provision required would have been nil (1999 - nil).

GUARDIAN LEASING (NO.1) LIMITED

NOTES ON THE ACCOUNTS cont....

3. Debtors - finance leases

	2000	1999
	£	£
Gross value of finance leases	184,323	432,109
Less - finance charges allocated to future periods	(6,559)	(22,900)
Net value of finance leases	<u>177,764</u>	<u>409,209</u>
of which:		
receivable within one year	146,221	231,445
receivable after more than one year	31,543	177,764
	<u>177,764</u>	<u>409,209</u>

All the finance leases are with fellow subsidiary undertakings.

The cost of assets purchased during the year for leasing under finance leases amounted to nil (1999 - nil).

4. Debtors - other

	2000	1999
	£	£
Amount due from fellow subsidiary undertakings	97,326	63,872
Taxation	-	5,549
	<u>97,326</u>	<u>69,421</u>

5. Other creditors- due within one year

	2000	1999
	£	£
Amount due to intermediate parent company	112,546	-
Amount due to fellow subsidiary undertakings	-	279,180
Taxation	63,562	4,868
	<u>176,108</u>	<u>284,048</u>

GUARDIAN LEASING (NO.1) LIMITED

NOTES ON THE ACCOUNTS cont....

6. Loans

	2000	1999
	£	£
Amounts owed to credit institutions, repayable by instalments		
Due within one year	-	49,937
	<u> </u>	<u> </u>

7. Share capital

	2000		1999	
	Authorised	Paid-up	Authorised	Paid-up
	£	£	£	£
Authorised:				
1,000,000 ordinary shares of £1 each	1,000,000		1,000,000	
	<u> </u>		<u> </u>	
Issued:				
100 ordinary shares of £1 each		100		100
		<u> </u>		<u> </u>

8. Reserves

	Profit and loss account £
Balance at 1 January 2000	33,457
Transfer to profit and loss account	12,095
	<u> </u>
Balance at 31 December 2000	45,552
	<u> </u>

9. Auditors' remuneration

The remuneration of the auditors amounted to £1,000 (1999 - £1,000) and was borne by the immediate parent company, AXA Insurance plc.

10. Directors' emoluments

The directors have received no remuneration or other emoluments for the year (1999 - nil).

11. Capital expenditure commitments

At 31 December 2000 no capital commitments existed (1999 - nil).

GUARDIAN LEASING (NO.1) LIMITED

NOTES ON THE ACCOUNTS cont....

12. Ultimate parent

In the opinion of the directors, the Company's ultimate parent and controlling company is AXA, a company incorporated in France. The parent undertaking of the largest group which includes the Company and for which group financial statements are prepared is AXA. Copies of the group financial statements of AXA are available from that company at 23 avenue Matignon, 75008, Paris, France. The parent undertaking of the smallest group which includes the company and for which group financial statements are prepared is Guardian Royal Exchange plc, a company registered in England and Wales. Copies of the group financial statements of Guardian Royal Exchange plc are available from that company's registered office at 107 Cheapside, London, EC2V 6DU.

13. Related parties

As the Company is a wholly owned subsidiary it has taken advantage of the exemption granted under Financial Reporting Standard 8 (Related Party Disclosures) where subsidiary undertakings do not have to disclose transactions with Group companies qualifying as related parties provided that consolidated financial statements are publicly available.

14. Cash flow statement

In accordance with the exemption under paragraph 5(a) of FRS 1 – Cash flow statements (Revised 1996), the Company has not presented its own cash flow statement.