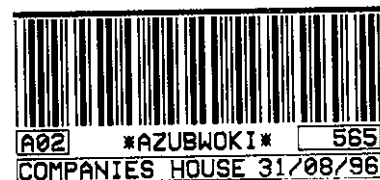


SECONDARY MARKETING INVESTMENT CONDUIT (NO 3) LIMITED

DIRECTORS' REPORT & ACCOUNTS

31st December 1995

(Registered Number 2492010)



SECONDARY MARKETING INVESTMENT CONDUIT (NO 3) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the accounts for the year ended 31st December 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company has not traded during the year under review.

DIRECTORS AND DIRECTORS' INTERESTS

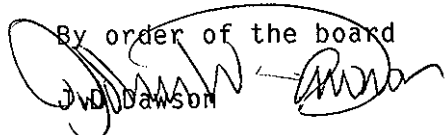
The directors during the year were :

Mr J G Goodfellow  
Mr R S Blizzard (resigned 20th October 1995)  
Mr R J McCormick (appointed 20th October 1995)

Mr J G Goodfellow and Mr R J McCormick are also directors of the ultimate parent undertaking, Skipton Building Society. Their interests in the shares of group companies are not required to be recorded in the register maintained by this company.

AUDITORS

The directors have relied upon the exemption from the obligation to appoint auditors permitted by Section 250 of the Companies Act 1985 in submitting unaudited accounts.

By order of the board  
  
JVD Dawson  
Secretary

27th February 1996

SECONDARY MARKETING INVESTMENT CONDUIT (NO 3) LIMITED

DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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 have general responsibility for taking such steps which are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

SECONDARY MARKETING INVESTMENT CONDUIT (NO 3) LIMITED

## BALANCE SHEET AT 31ST DECEMBER 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£	£
CURRENT ASSETS			
Debtor :			
Amount due from Skipton Building Society		100 ===	100 ===
CAPITAL AND RESERVES			
Called up share capital	2	100 ===	100 ===

The notes on page 4 form part of these accounts.

Throughout the financial period ending on the above date the company was dormant within the meaning of Section 250 of Companies Act 1985.

These accounts were approved by the board of directors on 27th February 1996.

J G Goodfellow )

R J McCormick )

) Directors



SECONDARY MARKETING INVESTMENT CONDUIT (NO 3) LIMITED

## NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

The accounts are drawn up under the historical cost convention and in accordance with applicable accounting standards.

## 2. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
Authorised:		
100 ordinary shares of £1 each	100 ===	100 ===
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	100 ===	100 ===

## 3. PROFIT AND LOSS ACCOUNT

The company has not traded during the year, has received no income and incurred no expenditure, and consequently has made neither profit nor loss.

## 4. ULTIMATE PARENT UNDERTAKING

The company is a wholly-owned subsidiary of Skipton Building Society, which is registered in the United Kingdom. A copy of the group accounts into which the results of this company are consolidated is available from:

The Secretary,  
Skipton Building Society,  
The Bailey,  
Skipton,  
North Yorkshire, BD23 1DN.