

COMPANY REGISTERED NUMBER 2849105

**CARS TRUSTEE (UK) NO 3 LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 27 MAY 1997**



# CARS TRUSTEE (UK) NO 3 LIMITED

## REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and the financial statements for the 9 months ended 27 May 1997, previous financial statements having been made up to 23 August 1996.

### BUSINESS REVIEW

The principal activities of the company have been to act as trustee of receivable assets, consisting principally of unsecured monetary obligations of individuals, unincorporated bodies or bodies corporate, under motor vehicle hire purchase contracts, assigned to Cardiff Automobile Receivables Securitisation (UK) No 3 plc by Chartered Trust plc, a public company incorporated under the laws of England and Wales.

The company recorded a profit before taxation of £75 (six months ended 23 August 1996: £50) for the period. At the end of the year the outstanding principal balance on the receivables amounted to £103,304,097 (as at 23 August 1996: £194,610,321).

### DIRECTORS

The directors of the company during the period were:

Mr G I Lane (*resigned 28 May 1997*)

Mr A F Raikes

Mr C W Beazley

SPV Management Limited (*appointed 28 May 1997*)

None of the directors has a service contract of more than one year's duration.

### DIRECTORS' INTERESTS

None of the directors has any interest in the share capital of the company or any part of the group.

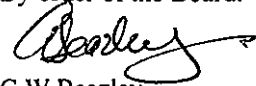
### DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- 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 as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board.

  
C W Beazley  
Secretary

6 November 1997

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
CARS TRUSTEE (UK) NO 3 LIMITED**

We have audited the accounts on pages 3 to 7.

*Respective responsibilities of directors and auditors*

As described on page 1 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

*Basis of 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 27 May 1997 and of the company's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF2 1TE

Chartered Accountants  
Registered Auditor

17 November 1997

# CARS TRUSTEE (UK) NO 3 LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 27 MAY 1997

	<i>Note</i>	Period ended 27 May 1997 £	Period ended 23 August 1996 £
Interest receivable and similar revenue	3	44,963	30,915
Administrative expenses		(44,888)	(30,865)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	75	50
Tax on profit on ordinary activities	6	(18)	(12)
		<hr/>	<hr/>
Profit on ordinary activities after taxation being profit for the financial year		57	38
Dividends		(57)	(38)
		<hr/>	<hr/>
Retained profit		-	-
		<hr/>	<hr/>

The above results represent the company's total recognised gains and losses for both financial periods.

# CARS TRUSTEE (UK) NO 3 LIMITED

## BALANCE SHEET AT 27 MAY 1997

	<i>Note</i>	<i>At 27 May 1997 £</i>	<i>At 23 August 1996 £</i>
CURRENT ASSETS			
Debtors	7	1,763	5,287
Cash at bank and in hand	8	12,728,450	14,552,449
		<hr/>	<hr/>
		12,730,213	14,557,736
CREDITORS			
Amounts falling due within one year	9	12,730,113	14,557,636
		<hr/>	<hr/>
NET ASSETS		100	100
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account		-	-
		<hr/>	<hr/>
Shareholders' funds	11	100	100
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 6/11/97 and signed on its behalf by:



A Raikes

# CARS TRUSTEE (UK) NO 3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 MAY 1997

### 1. PRINCIPAL ACCOUNTING POLICIES

#### *Accounting convention*

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

#### *Related party transactions*

The exemption given under Financial Reporting Standard 8 from the requirement to disclose transactions with related parties where 90% of the voting rights are controlled has been adopted.

### 2. PARENT UNDERTAKING

The immediate and ultimate parent undertaking is Securitisation Holdings No 3 Limited, a company registered in England and Wales. Copies of the statutory financial statements of Securitisation Holdings No 3 Limited are available at the company's registered office, 24-26 Newport Road, Cardiff.

### 3. INTEREST RECEIVABLE AND SIMILAR REVENUE

This represents sums drawn by the company under the terms of a Declaration of Trust made by Cars Trustee (UK) No 3 Limited on 23 November 1993 to enable the company to meet all fees, interest costs and certain expenses associated with carrying out its business.

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	<i>Period ended 27 May 1997 £</i>	<i>Period ended 23 August 1996 £</i>
Auditors' remuneration - audit	1,763	2,115
- other	-	-
Credit manager's fees	43,125	28,750
Directors emoluments	NIL	NIL

### 5. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

Neither the chairman or any other director received any fees or emoluments during the period.

None of the directors had a material interest in any contract with the company.

There were no employees of the company during the period, the company having contracted for the provision of administrative services.

# CARS TRUSTEE (UK) NO 3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 MAY 1997

(continued)

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>Period ended 27 May 1997 £</i>	<i>Period ended 23 August 1996 £</i>
The charge for taxation comprises:		
Corporation tax (small companies rate)	18	12

### 7. DEBTORS

	<i>At 27 May 1997 £</i>	<i>At 23 August 1996 £</i>
Prepayments and accrued income	1,763	5,287

### 8. CASH AT BANK AND IN HAND

This represents sums deposited with Lloyds Bank plc and Abbey National Treasury Services plc.

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>At 27 May 1997 £</i>	<i>At 23 August 1996 £</i>
Amounts due to group undertakings	5,796,312	4,657,862
Amounts held on behalf of trust beneficiaries	6,931,744	9,894,243
Corporation tax	30	37
Accruals and deferred income	1,763	5,287
Dividends proposed	264	207
	<hr/> 12,730,113 <hr/>	<hr/> 14,557,636 <hr/>

Amounts held on behalf of trust beneficiaries represent cash received from receivables assigned to the company under the terms of the Trust plus interest earned on the deposit of such cash, net of approved expenses, which is due to the beneficiaries under the Trust.

# CARS TRUSTEE (UK) NO 3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 MAY 1997

(continued)

### 10. SHARE CAPITAL

	<i>At 27 May 1997 £</i>	<i>At 23 August 1996 £</i>
Authorised:		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Issued: called up and paid	100	100
	<hr/>	<hr/>

### 11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<i>Period ended 27 May 1997 £</i>	<i>Period ended 23 August 1996 £</i>
Shareholders' funds brought forward	100	100
	<hr/>	<hr/>
Shareholders' funds carried forward	100	100
	<hr/>	<hr/>

### 12. CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement under FRS 1 (revised) on the grounds that it is a wholly owned subsidiary undertaking.