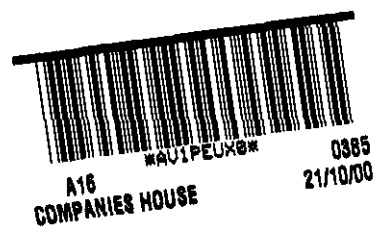


ANTS LIMITED
(Formerly known as CATER ALLEN GLOBAL MARKETS LIMITED)

REPORT AND ACCOUNTS
For the Year Ended 31 December 1999

Registered in England and Wales No 3017046



ANTS LIMITED (Formerly known as CATER ALLEN GLOBAL MARKETS LIMITED)

DIRECTORS' REPORT

For the year ended 31 December 1999

The Directors of ANTS Limited (the 'Company') present their report and accounts for the year ended 31 December 1999.

CHANGE OF NAME

On 16 February 2000, and subsequent to the financial year end, the Company changed its name to ANTS Limited.

BUSINESS REVIEW

The Company did not trade during the year.

RESULTS

The profit for the year on ordinary activities after taxation amounted to nil (1998: nil).

The Directors do not recommend the payment of a dividend (1998: nil).

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year were:

G. M. Batchelor
B. W. Morrison

In accordance with the Articles of Association, the Directors are not subject to retirement by rotation.

None of the Directors had any beneficial interests in the shares of the Company at the end of the financial year.

The beneficial interests at the balance sheet date of Mr Morrison and Mrs Batchelor in the shares of the ultimate holding company, Abbey National plc, are disclosed in the annual report of Abbey National Treasury Services plc.

YEAR 2000 AND ECONOMIC AND MONETARY UNION

Year 2000

The plans of Abbey National plc, the ultimate holding company, to address the Year 2000 issue (the risk of date-related electronic processing errors) across the Group of companies ultimately held by Abbey National plc (the 'Group'), were fully implemented by September 1999. The fully co-ordinated Group approach ensured that all the Group's business critical systems were unaffected by the Year 2000 issue, and continue to operate effectively. As a result, the Group's operations were not disrupted over the period and Abbey National was able to provide a full service to its customers. Nevertheless the Directors of the Company continue to monitor the potential risks and uncertainties surrounding the Year 2000 issue.

Economic and Monetary Union (EMU)

The Group's preparations for the introduction of the euro were completed in time for the opening of the financial markets on 4 January, 1999. The Group continues to prepare for the possibility of UK entering EMU.

AUDITORS

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

During the year Coopers & Lybrand resigned as auditors of the Company and the Directors resolved to appoint Deloitte & Touche as auditors of the Company in their place, in accordance with the resolution by Abbey National plc to appoint Deloitte & Touche as auditors of Abbey National plc and its Subsidiaries.

ANTS LIMITED (Formerly known as CATER ALLEN GLOBAL MARKETS LIMITED)

DIRECTORS' REPORT (continued)

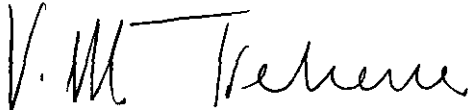
DIRECTORS' RESPONSIBILITY

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 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 1999. 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.

BY ORDER OF THE BOARD



**Authorised signatory for and on behalf of
Abbey National Secretariat Services Limited
Secretary**

16 OCTOBER 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ANTS LIMITED (Formerly known as CATER ALLEN GLOBAL MARKETS LIMITED)**

We have audited the accounts on pages 4 to 5 which have been prepared under the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the Company's Directors are responsible for the preparation of accounts which are required to be prepared in accordance with the applicable United Kingdom Law and United Kingdom accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

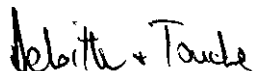
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 31 December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche
Chartered Accountants and Registered Auditors
Stonecutter Court
1 Stonecutter Street
London, EC4A 4TR**

18 October 2000

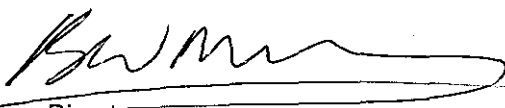
ANTS LIMITED (Formerly known as CATER ALLEN GLOBAL MARKETS LIMITED)

BALANCE SHEET

As at 31 December 1999

	Notes	1999 £	1998 £
Current Assets			
Amounts due from group companies		<u>2</u>	<u>2</u>
Total Assets less Current Liabilities		<u>2</u>	<u>2</u>
		<u>2</u>	<u>2</u>
Capital and Reserves			
Called up share capital	3	2	2
Profit and Loss Account		<u>-</u>	<u>-</u>
Equity Shareholders' Funds		<u>2</u>	<u>2</u>

The accounts on pages 4 to 5 were
approved by the Board of Directors on 16 OCTOBER 2000
and signed on its behalf by: B. MORRISON


Director

ANTS LIMITED (Formerly known as CATER ALLEN GLOBAL MARKETS LIMITED)

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historic cost convention and in accordance with applicable accounting standards.

2. PROFIT AND LOSS ACCOUNT

The Company has made neither a profit or loss this financial period. The expenses of the company, including auditors' remuneration, have been borne by Cater Allen Holdings Limited. There are no employees so no remuneration has been paid to Directors or employees. Accordingly no profit or loss account is presented. There have been no other recognised gains or losses or movements in shareholders' funds in this financial period.

3. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

4. RELATED PARTY DISCLOSURES AND ULTIMATE PARENT COMPANY

The Company has taken advantage of the exemption allowed by paragraph 3(c) of the Financial Reporting Standard 8, "Related Party Disclosures" not to disclose transactions with entities that are part of the Abbey National group.

The Company's ultimate parent company and ultimate controlling entity is Abbey National plc, which is registered in England and Wales. The accounts of the company are consolidated into the group accounts of both the ultimate parent company and an intermediate holding company, Abbey National Treasury Services plc. Copies of both these companies' accounts may be obtained from their registered office, Abbey House, Baker Street, London, NW1 6XL.