

COMPANY NO. : 3085884

***MATRON 2 TRUSTEES LIMITED***  
***DIRECTORS' REPORT AND ACCOUNTS***  
***31 MARCH 2003***



**MATRON 2 TRUSTEES LIMITED**

**DIRECTORS AND OFFICERS**

**DIRECTORS**

SPV Management Limited

Anthony F Raikes

Susan G Shakespeare

**SECRETARY**

Clifford Chance Secretaries Limited  
10 Upper Bank Street  
London  
E14 555

**REGISTERED OFFICE**

200 Aldersgate Street  
London  
EC1A 4JJ

**AUDITOR**

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square  
London  
EC4Y 8BB

**BANKER**

Lloyds Bank Plc

## **MATRON 2 TRUSTEES LIMITED**

### **DIRECTORS' REPORT**

The Directors present their Report together with the audited accounts of the Company for the year ended 31 March 2003.

#### **Principal Activities and Review of the Business :**

The Company acts as a trustee company receiving and distributing funds.

#### **Results and Dividends:**

The Company made no profit for the year.

No dividends were declared or paid by the Company during the year and the Directors do not recommend the declaration of a dividend in respect of the year.

#### **Directors :**

The names of the present Directors are shown on Page 1.

#### **Directors' Interests :**

None of the Directors, nor any member of their respective families, had any material interests in contracts involving the Company, or interests in the share or loan capital of the ultimate holding company, or its subsidiary undertakings, at the relevant dates, which require disclosure.

#### **Policy on Payment of Creditors**

It is the Company's policy to negotiate terms with its suppliers and to ensure that they know the terms on which payment will take place when the business is agreed. It is the Company's policy to abide by these terms. The Company had no trade creditors at the financial year end.

#### **Employees :**

There were no persons employed by the Company during the year and no persons have been employed by the Company since the year-end.

#### **Charitable Donations and Political Contributions :**

The Company made no charitable donations nor made any contributions for political purposes during the year or in the preceding year.

**MATRON 2 TRUSTEES LIMITED**

**DIRECTORS' REPORT**

**Close Company Provisions:**

In the opinion of the Directors, the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

**Auditors:**

A resolution for the reappointment of KPMG Audit Plc as independent auditor of the company is to be proposed at the forthcoming Annual General Meeting.



**SPV Management Limited**

By Order of the Board

27 January, 2004

## **MATRON 2 TRUSTEES LIMITED**

### **DIRECTORS' RESPONSIBILITIES**

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 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.

## **MATRON 2 TRUSTEES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRON 2 TRUSTEES LIMITED**

We have audited the financial statements on pages 6 to 8.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 Companies Act 1985. 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 with the Company is not disclosed.

#### **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 affairs of the Company as at 31 March 2003, and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

**MATRON 2 TRUSTEES LIMITED****BALANCE SHEET AT 31 March 2003**

	<b><u>NOTES</u></b>	<b><u>2003</u></b> <b>£</b>	<b><u>2002</u></b> <b>£</b>
<b>CURRENT ASSETS</b>			
Cash at bank		1	1
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	1	1
		<hr/>	<hr/>

The notes on pages 7 and 8 form part of these accounts.

These accounts were approved by the Board of Directors on 27 January, 2004 and were signed on their behalf by:



**SPV Management Limited**

Director

## **MATRON 2 TRUSTEES LIMITED**

### **NOTES TO THE ACCOUNTS**

#### 1. **ACCOUNTING POLICIES**

The following accounting policy has been applied consistently in dealing with items which are considered material to the Company's accounts.

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

#### 2. **PROFIT AND LOSS ACCOUNT**

Amounts deposited from time to time in the Company's bank account are held on trust for SONAR 2 Plc and Citibank International plc. These Principal Receipts and Revenue Receipts are applied in the manner described in "The Mortgages Trustee - The Mortgages Trust".

The Company has, therefore, neither earned nor received any income nor has it incurred any expenditure in its own right and accordingly no profit and loss account has been prepared. Expenses incurred in the administration of Matron 2 Trustees Ltd. are borne by SONAR 2 Plc.

#### 3. **CALLED-UP SHARE CAPITAL**

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b>£</b>	<b>£</b>
<b>Authorised:</b>		
100 unclassified shares of £1 each	100	100
	<hr/>	<hr/>
<b>Allotted, called-up and fully paid:</b>		
1 unclassified share of £1 each	1	1
	<hr/>	<hr/>

#### 4. **RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b>£</b>	<b>£</b>
Profit/(loss) for financial year	-	-
New share capital subscribed	-	-
	<hr/>	<hr/>
Net addition to shareholders' funds	-	-
Opening shareholders' funds	1	1
	<hr/>	<hr/>
Closing shareholders' funds	1	1
	<hr/>	<hr/>

#### 5. **CASH FLOW STATEMENT**

The Company, being a wholly-owned subsidiary of a parent undertaking which is incorporated in Great Britain under the laws of a Member State of the European Union, is exempt from the requirement to prepare a cash flow statement under the provisions of Paragraph 5(a) of Financial Reporting Standard 1 (revised 1996).

#### 6. **RELATED PARTY TRANSACTIONS**

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose related party transactions with other group companies on the grounds that it is a wholly owned subsidiary of a parent undertaking which is incorporated in Great Britain



**MATRON 2 TRUSTEES LIMITED**

**NOTES TO THE ACCOUNTS**

(continued)

7. **HOLDING COMPANY**

The Company's holding company and ultimate parent undertaking for which group accounts are drawn up, is Superior Tradeable Residential Securities Limited, a company incorporated in the United Kingdom, registered in England and Wales. Copies of the group accounts can be obtained from its registered office at 200 Aldersgate Street, London, EC1A 4JJ.

The holding company's issued share capital is, pursuant to a Declaration of Trust dated 10 December 1990, held by L.D.C. Trustees Limited and its nominees on trust for the beneficiaries of the Stars Accumulating Trust.