

Registered no: 3244589

Volkswagen Financial Services (UK) (March) Limited
Annual Report
for the year ended 31 March 2003



Volkswagen Financial Services (UK) (March) Limited

Annual Report for the year ended 31 March 2003

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Volkswagen Financial Services (UK) (March) Limited

Directors' Report for the year ended 31 March 2003

The directors have pleasure in presenting their report together with the financial statements for the year ended 31 March 2003.

Principal activities

The company has not traded in the financial year.

Review of Business and Future Prospects

The company had written a small number of asset finance contracts. As at 31 March 2001 all contracts had expired. There is no intention to continue or renew trading and consequently the company has ceased to trade on its own account. No final decision has been taken on the future of the company as a legal entity. The parent company, Volkswagen Financial Services (UK) Limited, has indicated that it will provide financial support to enable the company to cover any outstanding obligations.

Dividends

The directors do not recommend the payment of a dividend.

Profit and Loss Account

A profit and loss account has not been prepared as the company has not traded in the years ended 31 March 2002 and 31 March 2003.

Directors

The directors who served throughout the period are as follows:

N M Massfeller (Chairman)
B Marcus
R A J Woolcock
G Banks

Directors' interests in shares of the company

The company has taken advantage of the exemption set out in The Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985 not to disclose any beneficial interests in the share capital of Volkswagen Aktiengesellschaft (the ultimate parent undertaking), held by directors.

Volkswagen Financial Services (UK) (March) Limited

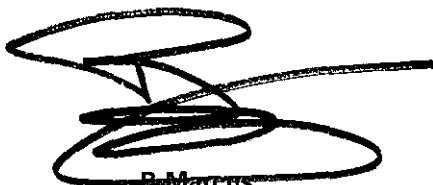
Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements have been made in preparing the financial statements for the year ended 31 March 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

A handwritten signature in black ink, appearing to be 'B. Marcus', written over a horizontal line.

B. Marcus
Managing Director
21 January 2004

Volkswagen Financial Services (UK) (March) Limited

Balance Sheet at 31 March 2003

	Notes	2003 £	2002 £
Current assets			
Debtors: due in less than one year	3	7,015	7,015
Creditors: amounts falling due within one year	4	(17,288)	(17,288)
Net current liabilities		(10,273)	(10,273)
Total assets less current liabilities		(10,273)	(10,273)
Net liabilities		(10,273)	(10,273)
Capital and reserves			
Called up share capital	5	1,000	1,000
Profit and loss account	6	(11,273)	(11,273)
Equity shareholders' funds	7	(10,273)	(10,273)

For the year ended 31 March 2003 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

(i) ensuring the company keeps accounting records which comply with section 221; and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

The financial statements on pages 3 to 6 were approved by the board of directors on 21 January 2004 and were signed on its behalf by:



B Marcus
Managing Director

Volkswagen Financial Services (UK) (March) Limited

Notes to the Financial Statements for the year ended 31 March 2003

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The accounts are prepared on the historic cost convention.

(b) Basis of preparation

As at 31 March 2001 all contracts had expired. There is no intention to continue or renew trading and consequently the company has ceased to trade on its own account. The parent company, Volkswagen Financial Services (UK) Limited, has indicated that it will provide financial support to enable the company to cover any outstanding obligations.

(c) Cashflow statement

The company is a wholly owned subsidiary of Volkswagen Financial Services (UK) Limited.

The directors have adopted the provisions of FRS 1 (revised 1996) and have taken advantage of the exemption allowing them to dispense with the preparation of a cashflow statement on the grounds that the company is included in the consolidated financial statements of its parent undertaking which are publicly available.

(d) Related parties

The company's voting rights are controlled within the group headed by Volkswagen AG. The directors have adopted the provisions of FRS 8 and have taken advantage of the exemption of the disclosure requirements regarding intra group related party transactions and balances.

2. Directors' emoluments

The directors of the company claimed no remuneration from the company during the year ended 31 March 2003 (2002: Nil).

Volkswagen Financial Services (UK) (March) Limited

3. Debtors

	2003 £	2002 £
Amounts owed by immediate parent undertaking	7,015	7,015
	<u>7,015</u>	<u>7,015</u>

4. Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts owed to immediate parent undertaking	17,288	17,288
	<u>17,288</u>	<u>17,288</u>

5. Called up share capital

	2003 £	2002 £
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up share capital not paid up 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

6. Reserves

	Profit & loss account £
Retained loss at 31 March 2002 and 31 March 2003:	<u>(11,273)</u>

Volkswagen Financial Services (UK) (March) Limited

7. Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Equity shareholders' funds:		
As at 1 April 2002	(10,273)	(10,273)
Loss for the financial year	-	-
At 31 March 2003	<u>(10,273)</u>	<u>(10,273)</u>

8. Ultimate parent company

The immediate parent undertaking is Volkswagen Financial Services (UK) Limited.

The ultimate parent undertaking is Volkswagen Aktiengesellschaft, a company incorporated in Germany. Copies of the ultimate parent's consolidated financial statements can be obtained from Volkswagen Aktiengesellschaft, Finanz-Publizität and Statistik, D-38436 Wolfsburg, Germany.