

Britannia Treasury Services Limited  
Directors' report and financial statements  
for the year ended 31 December 2002

Registered Number 3416197



Britannia Treasury Services Limited  
Directors' report and financial statements  
for the year ended 31 December 2002

Contents

Directors and advisors for the year ended 31 December 2002.....	1
Directors' report for the year ended 31 December 2002 .....	2
Independent auditors' report to the members of Britannia Treasury Services Limited .....	4
Profit and loss account for the year ended 31 December 2002 .....	5
Balance sheet as at 31 December 2002 .....	6
Accounting policies .....	7
Notes to the financial statements for the year ended 31 December 2002 .....	8

# **Britannia Treasury Services Limited**

## **Directors and advisors for the year ended 31 December 2002**

### **Directors**

W J Gordon

G A Gregory

P A Lee

J I Katovsky

N B Richardson

G H Stow

### **Secretary**

P A Mills

### **Auditors**

PricewaterhouseCoopers LLP

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

### **Registered Office**

Britannia House

Cheadle Road

Leek

Staffordshire

ST13 5RG

### **Registered Number**

3416197

# **Britannia Treasury Services Limited**

## **Directors' report for the year ended 31 December 2002**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

### **Principal activities**

The principal activity of the company is as an intermediate holding company on behalf of Britannia Building Society for Mortgage Agency Services Number One Limited, Mortgage Agency Services Number Two Limited, Mortgage Agency Services Number Three Limited, Mortgage Agency Services Number Four Limited, Mortgage Agency Services Number Five Limited, Western Mortgage Services Limited and Platform Group Holdings Limited.

### **Results and dividends**

The profit for the year on ordinary activities, after tax, amounted to £17,151,320 (2001: £52,275). The directors propose a dividend for the year of £17,100,000 (2001: £nil).

### **Directors and their interests**

The directors who held office during the year are given below:

G A Gregory

W J Gordon

J I Katovsky

P A Lee – appointed 1 November 2002

A S Lourie – appointed 20 May 2002, resigned 29 January 2003

N B Richardson

G H Stow – resigned 31 May 2003

No director had a beneficial interest in the share capital of the company or of any other companies within the Britannia Building Society Group.

### **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 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 as explained on page 7 under 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 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.

# Britannia Treasury Services Limited

## Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 29 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



---

P A Mills

Secretary

21 October 2003

## **Independent auditors' report to the members of Britannia Treasury Services Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes and the accounting policies set out in the statement of accounting policies.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.


### **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 the company's affairs at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Manchester  
21 October 2003

# Britannia Treasury Services Limited

## Profit and loss account for the year ended 31 December 2002

	Notes	2002 £	2001 £
Interest receivable and similar income	1	87,630	89,465
Income from shares in Group undertakings		17,100,000	-
Administrative expenses		(13,387)	(14,205)
<b>Profit on ordinary activities before taxation</b>	2	<b>17,174,243</b>	<b>75,260</b>
Taxation	4	(22,923)	(22,985)
<b>Profit on ordinary activities after taxation</b>		<b>17,151,320</b>	<b>52,275</b>
Proposed dividend		(17,100,000)	-
<b>Profit for the year transferred to reserves</b>	12	<b>51,320</b>	<b>52,275</b>

There were no recognised gains or losses other than the profit for the period. The results above relate to continuing operations.

The accounting policies and notes on pages 7 to 12 form part of these financial statements.

# Britannia Treasury Services Limited

## Balance sheet as at 31 December 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Tangible assets	5	23,500	35,250
Investments in subsidiaries	6	62,000,410	61,000,410
		<b>62,023,910</b>	<b>61,035,660</b>
<b>Current assets</b>			
Debtors:			
Recoverable in less than one year	7	17,100,000	89,465
Recoverable in more than one year	8	13,476,679	13,493,779
		<b>30,576,679</b>	<b>13,583,244</b>
<b>Creditors: Amounts falling due within one year</b>	9	<b>(17,118,315)</b>	<b>(23,960)</b>
<b>Net current assets</b>		<b>13,458,364</b>	<b>13,559,284</b>
<b>Total assets less current liabilities</b>		<b>75,482,274</b>	<b>74,594,944</b>
<b>Creditors: Amounts falling due after more than one year</b>	10	<b>(70,196,867)</b>	<b>(69,360,857)</b>
		<b>5,285,407</b>	<b>5,234,087</b>
<b>Capital and reserves</b>			
Called up equity share capital	11	5,050,005	5,050,005
Profit and loss account	12	235,402	184,082
<b>Equity shareholders' funds</b>	13	<b>5,285,407</b>	<b>5,234,087</b>

The accounting policies and notes on pages 7 to 12 form part of these financial statements.

Approved by the board of directors on 21 October and signed on its behalf by:

Director   
G. GREGORY



## **Accounting policies**

### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

### **Basis of preparation**

As permitted by Section 228 of the Companies Act 1985, consolidated financial statements have not been prepared because the company itself is a wholly owned subsidiary of Britannia Building Society, a body corporate registered in England, and is included in the consolidated financial statements of that body.

In accordance with paragraph 3(3) of Schedule 4 Companies Act 1985 the directors have adapted the arrangement of certain headings in the profit and loss account to reflect more effectively the nature of the group's activities.

### **Interest receivable and payable**

Interest is accrued in the profit and loss account on a receivable and payable basis.

### **Taxation**

Corporation tax and any group relief is provided at current rates on the taxable profit for the period.

Deferred tax is provided at current rates where it is considered that a liability is likely to arise in the foreseeable future.

### **Cash flow statement**

The company has not presented a cash flow statement as permitted by Financial Reporting Standard No. 1 (Revised 1996) as it is a wholly owned subsidiary of Britannia Building Society, the company's immediate parent undertaking.

### **Tangible Fixed Assets**

Equipment, fixtures, fittings and motor vehicles are stated at cost and are written off as a straight line basis over the estimated useful times.

**Notes to the financial statements  
for the year ended 31 December 2002**

**1 Interest receivable and similar income**

	2002 £	2001 £
Interest receivable from Leek Finance Number One PLC	87,614	89,465
Other	16	-
	<b>87,630</b>	<b>89,465</b>

**2 Profit on ordinary activities before taxation**

	2002 £	2001 £
<b>Profit on ordinary activities before taxation is stated after charging:</b>		
Auditors' remuneration	1,000	1,000
Depreciation on tangible fixed assets	11,750	11,750

**3 Employees and directors**

The company has no employees (2001: Nil).

None of the directors received any emoluments in respect of their services during the period.

At 31 December 2002 four directors had benefits accruing under the Britannia Building Society Pension and Life Assurance defined benefit scheme (2001: four).

**4 Taxation**

	2002 £	2001 £
Corporation tax at 30.0% (2001: 30.0%)	23,315	22,985
Adjustment in respect of prior years	(7)	-
Deferred tax	(385)	-
	<b>22,923</b>	<b>22,985</b>

## **5 Tangible fixed assets**

	Fixtures, fittings and equipment £
<b>Cost</b>	
At 1 January 2002	58,750
Additions	-
<b>At 31 December 2002</b>	<b>58,750</b>
<b>Depreciation</b>	
At 1 January 2002	23,500
Charge for the year	11,750
<b>At 31 December 2002</b>	<b>35,250</b>
<b>Net book amount</b>	
<b>At 31 December 2002</b>	<b>23,500</b>
At 31 December 2001	35,250

## **6 Investments in subsidiaries**

<b>Shares at cost</b>	<b>£</b>
At 1 January 2002	61,000,410
Acquired during the year	1,000,000
<b>At 31 December 2002</b>	<b>62,000,410</b>

The company holds 100 per cent of the share capital of the following companies incorporated in England and Wales:

Mortgage Agency Services Number One Limited  
Mortgage Agency Services Number Two Limited  
Mortgage Agency Services Number Three Limited  
Mortgage Agency Services Number Four Limited  
Mortgage Agency Services Number Five Limited  
Western Mortgage Services Limited  
Platform Group Holdings Limited

Platform Group Holdings Limited has the following subsidiary undertakings:

Platform Consumer Services Limited  
Platform Funding Limited  
Platform Funding No.2 Limited  
Platform Funding No.3 Limited  
Platform Funding No.4 Limited  
Platform Funding No.5 Limited  
Platform Funding No.6 Limited  
Platform Home Loans Limited  
Plum Sterling No 1 Plc

**6 Investments in subsidiaries (continued)**

Platform Consumer Services Limited is the only direct subsidiary of Platform Group Holdings Limited.

The principal activities of the subsidiary undertakings are as follows: holding residential mortgage portfolios and conducting commercial lending; legal owner of mortgages held by subsidiaries and quasi-subsidiaries of Britannia Building Society, provision of third party mortgage administration services dedicated to the administration of portfolios for the Britannia Building Society Group, holding company, mortgage origination and servicing, finance company and mortgage securitisation.

**7 Debtors: amounts recoverable in less than one year**

	2002 £	2001 £
Amounts owed by Group companies	17,100,000	-
Amounts owed by Leek Finance Number One PLC	-	89,465
	17,100,000	89,465

**8 Debtors: amounts recoverable in more than one year**

	2002 £	2001 £
Subordinated loan owed by Leek Finance Number One PLC	13,476,294	13,493,779
Deferred tax	385	-
	13,476,679	13,493,779

**9 Creditors: amounts falling due within one year**

	2002 £	2001 £
Amounts owed to Britannia Building Society	17,100,000	-
Corporation tax	17,315	22,960
Accruals	1,000	1,000
	17,118,315	23,960

## **10 Creditors: amounts falling due after more than one year**

	2002 £	2001 £
Amounts owed to Britannia Building Society	70,196,867	69,360,857

There is no formal repayment schedule for these monies. The nature of the loan is such that repayment cannot be anticipated within one year.

## **11 Called up equity share capital**

	2002 £	2001 £
<b>Authorised</b>		
5,050,005 ordinary shares of £1 each	5,050,005	5,050,005
<b>Allotted and fully paid</b>		
5,050,005 ordinary share of £1 each	5,050,005	5,050,005

## **12 Profit and loss account**

	2002 £	2001 £
Profit and loss account at start of period	184,082	131,807
Profit for the period	51,320	52,275
<b>Profit and loss account at end of period</b>	<b>235,402</b>	<b>184,082</b>

## **13 Reconciliation of movements in equity shareholders' funds**

	2002 £	2001 £
Profit for the year	51,320	52,275
Equity shareholders' funds at start of period	5,234,087	5,181,812
<b>Equity shareholders' funds at end of period</b>	<b>5,285,407</b>	<b>5,234,087</b>

## **14 Immediate and ultimate parent undertaking**

The company's immediate and ultimate parent undertaking is Britannia Building Society, a company registered in England. Copies of Britannia Building Society's accounts may be obtained from:

Britannia House, Cheadle Road, Leek, Staffordshire, ST13 5RG.

The Society, as a mutual organisation, is owned by its members and, consequently, has no ultimate controlling body.

## **15 Related party disclosures**

The company is exempt, under the terms of Financial Reporting Standard No.8 (Related party disclosures) from disclosing related party transactions with entities that are part of the Britannia Building Society Group.

The directors view Leek Finance Number One PLC as being a quasi-subsiidiary of Britannia Building Society. Therefore, the directors consider the company to be a related party of Leek Finance Number One PLC. Transactions with Leek Finance Number One PLC are disclosed in the financial statements as follows:

Interest receivable from Leek Finance Number One PLC is shown in note 1.

Amounts owed by Leek Finance Number One PLC falling due within one year at 31 December 2002 are shown in note 7.

Amounts owed by Leek Finance Number One PLC falling due after one year at 31 December 2002 are shown in note 8.