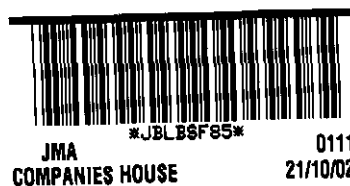


Britannia Treasury Services Limited  
Directors' report and financial statements  
for the year ended 31 December 2001

Registered Number 3416197



Britannia Treasury Services Limited  
Directors' report and financial statements  
for the year ended 31 December 2001

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# **Britannia Treasury Services Limited**

## **Directors and Advisors for the year ended 31 December 2001**

### **Directors**

W J Gordon  
G A Gregory  
J I Katovsky  
N B Richardson  
G H Stow

### **Secretary**

P A Mills

### **Auditors**

PricewaterhouseCoopers  
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 2001**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

### **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, Western Mortgage Services Limited and Platform Group Holdings Limited. On 12 February 2001, the company acquired Platform Group Holding Limited (formerly Cabot Financial Holdings Limited) from CS Structured Credit Fund Limited, for a purchase price of £55,000,000.

### **Results and dividends**

The profit for the year, after tax, amounted to £52,275 (2000: £245,615). No dividend for the year is proposed (2000: £750,000, 14.9 pence per share).

### **Directors and their interests**

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

P J Green (resigned 15 May 2001)  
G A Gregory  
W J Gordon  
J I Katovsky (appointed 16 July 2001)  
A S Lourie (appointed 20 May 2002)  
N B Richardson  
G H Stow

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 2001 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

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'P A Mills', with a horizontal line underneath.

P A Mills  
Secretary

24 September 2002

# Britannia Treasury Services Limited

## 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 which have been prepared under the historical cost convention 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.

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 company's affairs at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Manchester

*24 September 2002*

# Britannia Treasury Services Limited

## Profit and loss account for the year ended 31 December 2001

	Notes	2001 £	2000 £
Interest receivable and similar income	1	73,239,465	64,757,288
Interest payable and similar charges	2	(73,150,000)	(64,664,304)
<b>Net interest receivable</b>		<b>89,465</b>	<b>92,984</b>
Income from shares in Group undertakings		-	250,000
Administrative expenses		(14,205)	(97,369)
<b>Profit on ordinary activities before taxation</b>	3	<b>75,260</b>	<b>245,615</b>
Taxation	5	(22,985)	-
<b>Profit on ordinary activities after taxation</b>		<b>52,275</b>	<b>245,615</b>
Proposed dividend		-	(750,000)
<b>Profit/(loss) for the year transferred to/(from) reserves</b>	14, 15	<b>52,275</b>	<b>(504,385)</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 2001

	Notes	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	6	35,250	47,000
Investments in subsidiaries	7	61,000,410	5,050,004
		<b>61,035,660</b>	<b>5,097,004</b>
<b>Current assets</b>			
Debtors:			
Recoverable in less than one year	8	89,465	771,484
Recoverable in more than one year	9	1,596,674,811	1,286,648,606
		<b>1,596,764,276</b>	<b>1,287,420,090</b>
Creditors: Amounts falling due within one year	10	(23,960)	(2,009,866)
<b>Net current assets</b>		<b>1,596,740,316</b>	<b>1,285,410,224</b>
<b>Total assets less current liabilities</b>		<b>1,657,775,976</b>	<b>1,290,507,228</b>
Creditors: Amounts falling due after more than one year	11	(1,652,541,889)	(1,285,325,416)
		<b>5,234,087</b>	<b>5,181,812</b>
<b>Capital and reserves</b>			
Called up equity share capital	12	5,050,005	5,050,005
Profit and loss account	13	184,082	131,807
<b>Equity shareholders' funds</b>	14	<b>5,234,087</b>	<b>5,181,812</b>

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

Approved by the board of directors on 24 September 2002 and signed on its behalf by:



N B Richardson  
Director



# **Britannia Treasury Services Limited**

## **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. In particular, as disclosed in Note 1, turnover represents interest receivable and interest payable has been treated as a deduction against gross profit.

### **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.

# Britannia Treasury Services Limited

## Notes to the financial statements for the year ended 31 December 2001

### 1 Interest receivable and similar income

	2001 £	2000 £
Interest receivable from Group undertakings	73,150,000	64,664,304
Interest receivable from Leek Finance Number One PLC	89,465	92,976
Other	-	8
	<u>73,239,465</u>	<u>64,757,288</u>

### 2 Interest payable and similar charges

	2001 £	2000 £
Interest payable to Group undertakings	73,150,000	64,664,304

### 3 Profit on ordinary activities before taxation

	2001 £	2000 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	1,000	-
Depreciation on tangible fixed assets	11,750	11,750

In previous years the audit fee for the company was borne by Britannia Building Society.

### 4 Employees and directors

The company has no employees (2000: Nil).

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

At 31 December 2001 four directors had benefits accruing under the Britannia Building Society Pension and Life Assurance defined benefit scheme (2000: three).

### 5 Taxation

	2001 £	2000 £
Corporation tax at 30.0% (1999: 30.25%)	22,985	-

# Britannia Treasury Services Limited

## 6 Tangible fixed assets

	Fixtures, fittings and equipment £
<b>Cost</b>	
At 1 January 2001	58,750
Additions	-
At 31 December 2001	58,750
<b>Depreciation</b>	
At 1 January 2001	11,750
Charge for the year	11,750
At 31 December 2001	23,500
<b>Net book amount</b>	
At 31 December 2001	35,250
At 31 December 2000	47,000

## 7 Investments in subsidiaries

Shares at cost	£
At 1 January 2001	5,050,004
Acquired during the year	55,950,406
31 December 2001	61,000,410

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  
Western Mortgage Services Limited  
Platform Group Holdings Limited

On 12 February 2001, the company acquired Platform Group Holding Limited (formerly Cabot Financial Holdings Limited) from CS Structured Credit Fund Limited, for a purchase price of £55,000,000. Platform Group Holdings Limited has the following subsidiary undertakings

Platform Consumer Services Limited (formerly Cabot 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 (formerly The Money Store Sterling No 1 Plc)

## Britannia Treasury Services Limited

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.

### 8 Debtors: amounts recoverable in less than one year

	2001 £	2000 £
Amounts owed by Group companies	-	250,000
Amounts owed by Leek Finance Number One PLC	89,465	365,927
Amounts owed by Leek Finance Number Two PLC	-	155,557
	89,465	771,484

### 9 Debtors: amounts recoverable in more than one year

	2001 £	2000 £
Amounts owed by Group companies	1,583,181,032	1,272,654,825
Subordinated loan owed by Leek Finance Number One PLC	13,493,779	13,993,781
	1,596,674,811	1,286,648,606

### 10 Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts owed to Group companies	-	953,400
Amounts owed to Leek Finance Number Two PLC	-	1,056,440
Corporation tax	22,960	-
Accruals	1,000	-
Other	-	26
	23,960	2,009,866

# Britannia Treasury Services Limited

## 11 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Amounts owed to Group companies	1,652,541,889	1,285,325,416

The above amounts due to Group undertakings are due to Britannia Building Society. There is no formal repayment schedule for these monies. The nature of the loan is such that repayment cannot be anticipated within one year.

## 12 Called up equity share capital

	2001 £	2000 £
<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

## 13 Profit and loss account

	2001 £	2000 £
Profit and loss account at start of period	131,807	636,192
(Loss)/profit for the period	52,275	(504,385)
<b>Profit and loss account at end of period</b>	<b>184,082</b>	<b>131,807</b>

## 14 Reconciliation of movements in equity shareholders' funds

	2001 £	2000 £
Profit/(loss) for the year	52,275	(504,385)
Equity shareholders' funds at start of period	5,181,812	5,686,197
<b>Equity shareholders' funds at end of period</b>	<b>5,234,087</b>	<b>5,181,812</b>

# **Britannia Treasury Services Limited**

## **15 Immediate and ultimate parent undertaking**

The company's immediate and ultimate parent undertaking is Britannia Building Society, a body corporate registered in England. Copies of its financial statements are available from: Britannia House, Leek, Staffordshire, ST13 5RG.

## **16 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 and Leek Finance Number Two PLC as being quasi-subsidiaries of Britannia Building Society. Therefore, the directors consider the company to be a related party of Leek Finance Number One PLC and Leek Finance Number Two PLC. Transactions with Leek Finance Number One PLC and Leek Finance Number Two 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 2001 are shown in note 8.

Amounts owed by Leek Finance Number One PLC falling due after one year at 31 December 2001 are shown in note 9.