



Company Number: 3663932

NATIONAL AUSTRALIA SAVINGS LIMITED
(formerly Dunwilco (687) Limited)
ANNUAL REPORT AND ACCOUNTS

Period from
9 November 1998
- 30 September 1999



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NATIONAL AUSTRALIA SAVINGS LIMITED
ANNUAL REPORT AND ACCOUNTS
PERIOD ENDED
30 SEPTEMBER 1999

Contents	Page
Report of the Directors	2-3
Statement of Directors' Responsibilities	4
Report of the Auditors	5
Profit and Loss Account	6
Reconciliation of Movements in Shareholder's Funds	7
Balance Sheet	8
Notes to the Accounts	9-11

NATIONAL AUSTRALIA SAVINGS LIMITED
REPORT OF THE DIRECTORS

The Directors of National Australia Savings Limited (the Company) submit their report and audited Accounts of the Company for the period from 9 November 1998 to 30 September 1999, hereafter referred to as 'the period'.

Incorporation

Dunwilco (687) Limited was incorporated on 9 November 1998 and changed its name to National Australia Savings Limited on 4 January 1999.

Principal activity and review of business

National Australia Savings Limited commenced trading on 26 July 1999.

The principal activity of the Company, which operates in the United Kingdom, is the management of Individual Savings Accounts.

Profits and appropriations

The profit attributable to the shareholder for the period ended 30 September 1999 amounted to £9,704.

The Directors recommend that no dividend is paid in respect of the year.

Directors and directors' interests

	Date Appointed	Date Resigned
G P Savage	14 December 1998	
M A Pinder	14 December 1998	
D J Crawford	9 November 1998	14 December 1998
M B Polson	9 November 1998	14 December 1998

**NATIONAL AUSTRALIA SAVINGS LIMITED
REPORT OF THE DIRECTORS**

Directors and directors' interests (continued)

No Director has any interest in the shares or debentures of any Group company incorporated in the United Kingdom or Ireland.

As the Company is a wholly-owned subsidiary of National Australia Bank Limited, which is incorporated in Australia, any interest which the directors may have in National Australia Bank Limited does not need to be either notified to the Company or disclosed in this report.

Corporate Governance

It is the Company's policy not to include all of the discretionary disclosures in respect of voluntary corporate governance codes of practice as it is a wholly owned subsidiary of National Australia Bank Limited which complies with the equivalent Australian requirements in its published accounts.

Year 2000

In common with many business users of computers around the World, the Company faces a significant challenge ensuring that its systems can deal satisfactorily with the Year 2000. This issue is dealt with under the 'Management and Services Agreement' and full disclosure can be found in the accounts of National Australia Life Services Limited who provide management and administration services to the Company.

Economic and Monetary Union

Planning for Economic and Monetary Union (EMU) and the introduction of the single currency is based on the assumption that EMU will continue to proceed in the Republic of Ireland with the introduction of notes and coins in 2002. The position for the United Kingdom is less clear and National Australia Savings assumption is that, if the United Kingdom is to join, it would not be prior to 1 January 2002. This issue is dealt with under the 'Management and Services Agreement' and full disclosure can be found in the accounts of National Australia Life Services Limited who provide management and administration services to the Company.

BY ORDER OF THE BOARD



Phillip M Monks
Secretary
29 October 1999

Registered Office:
6/8 Tokenhouse Yard
London EC2R 7AJ

NATIONAL AUSTRALIA SAVINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the auditors' statement of their responsibilities set out in their report on page 5, is made with a view to distinguishing for the shareholder the respective responsibilities of the Directors and of the auditors in relation to the Accounts.

The Directors are required by the Companies Act 1985 to prepare Accounts for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the period. The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparation of the Accounts.

The Directors are responsible for ensuring that in preparing the accounts on pages 6 to 11, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the Accounts comply with the Companies Act 1985.

The Directors 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.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
NATIONAL AUSTRALIA SAVINGS LIMITED**

We have audited the Accounts on pages 6 to 11.

Respective responsibilities of Directors and auditors

As described on page 4 the Company's Directors are responsible for the preparation of Accounts. 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 as at 30 September 1999 and of the profit for the period from 9 November 1998 to 30 September 1999 and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditor

Glasgow
29 October 1999

NATIONAL AUSTRALIA SAVINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 1999

		period ending 30 September 1999
	Note	£
Other Operating Profit	2	982,176
Operating Profit		<u>982,176</u>
Interest receivable		13,962
Administrative Expenses	3	(505,409)
Commission Payable		(476,767)
Total Expenses		<u>(982,176)</u>
Profit on Ordinary Activities before Taxation		13,962
Taxation on Profit on Ordinary Activities	4	<u>(4,258)</u>
Profit on Ordinary Activities after Taxation		<u>9,704</u>
Profit Retained in period taken to Reserves		<u><u>9,704</u></u>

The Company has no recognised gains or losses other than those disclosed above.
as a result no 'Statement of Total Recognised Gains and Losses' has been prepared.

All material items dealt with in arriving at the profit on ordinary activities after taxation
relate to continuing operations.

These accounts have been prepared on an unmodified historical costs basis.

The notes on pages 9 to 11 are in integral part of these financial statements.

NATIONAL AUSTRALIA SAVINGS LIMITED
RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS
FOR THE PERIOD ENDED 30 SEPTEMBER 1999

	1999 £
Profit for the period ended 30 September 1999 attributable to the shareholder	9,704
Issue of ordinary share capital	1,000,000
Shareholder's Funds at start of the period	0
Shareholder's Funds at 30 September (all equity interests)	<hr/> 1,009,704 <hr/>

The notes on pages 9 to 11 are an integral part of these financial statements

NATIONAL AUSTRALIA SAVINGS LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 1999

	Note	1999 £
CURRENT ASSETS		
Debtors	5	392,118
Cash at bank and in hand	6	1,013,962
		<u>1,406,080</u>
Creditors: amounts falling due within one year	7	(396,376)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,009,704</u></u>
CAPITAL AND RESERVES		
Share Capital	8	1,000,000
Profit and Loss Account	9	9,704
SHAREHOLDER'S FUNDS		<u><u>1,009,704</u></u>

The notes on pages 9 to 11 are an integral part of these financial statements.

The financial statements were approved by the Directors on 29 October 1999 and were signed on their behalf by:

Name:

Director

L. Javare

NATIONAL AUSTRALIA SAVINGS LIMITED
NOTES TO THE ACCOUNTS

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention in compliance with the Companies Act 1985, and in accordance with applicable accounting standards.

Cash flow statement

As permitted by FRS 1, 'Cash Flow Statements', no cashflow statement is presented as the Company is a wholly owned subsidiary of National Australia Bank Limited, which presents such a statement in its own accounts.

2. Income

Other operating profit includes:	1999
	£
Management Charges Receivable	505,409
Commission	476,767
	<u>982,176</u>

3. Administration expenses

The administrative expenses incurred by the Company represent a management charge from National Australia Life Services Limited under the 'Management and Services Agreement' dated 26 July 1999. Included within this charge is an element in respect of Directors' time spent in managing the Company. It is not possible to separately identify these Group costs on a company by company basis. Details of Directors' emoluments in respect of management of the Group are provided in the financial statements of National Australia Life Services Limited.

The contracts of employment for the employees of the Company are with National Australia Life Services Limited, and the costs of those employees are included within the management charge for that company. Full disclosure regarding employee costs can be found in the accounts of National Australia Life Services Limited.

Included within Administrative Expenses is an amount of £4,967 (1998-£NIL) in relation to audit fees.

NATIONAL AUSTRALIA SAVINGS LIMITED
NOTES TO THE ACCOUNTS (continued)

4. Taxation

	1999
The current year tax charge comprises:	£
Current year United Kingdom	
Corporation tax at 30.5%	<u>4,258</u>

5. Debtors

	1999
	£
Due from fellow Group undertakings	<u>392,118</u>

6. Cash at bank and in hand

This balance comprises cash on deposit with Clydesdale Bank PLC, a fellow group undertaking.

7. Current Liabilities: amounts falling due within one year

	1999
	£
Amounts owed to fellow	
Group undertakings	392,118
Sundry Creditors	4,258
	<u>396,376</u>

NATIONAL AUSTRALIA SAVINGS LIMITED
NOTES TO THE ACCOUNTS (continued)

8. Share Capital

Ordinary shares of £1 each	Authorised Number	Issued and Fully Paid Number	£
At 9 November 1998	1,000	1	1
Authorised 28 May 1999	2,000,000		
Issued 10 June 1999		999,999	999,999
At 30 September 1999	<u>2,001,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

9. Profit and loss account

	1999 £
Balance at start of year	Nil
Retained Profit for period from 9 November 1998 to 30 September 1999	9,704
Balance at 30 September 1999	<u>9,704</u>

10. Ultimate parent undertaking

The Company's immediate parent undertaking is National Australia Group Europe Limited (formerly National Australia Group (UK) Limited), a company incorporated and registered in England and Wales.

The Company's ultimate parent undertaking is National Australia Bank Limited, a company incorporated in the State of Victoria, Australia.

A copy of the accounts of National Australia Bank Limited can be obtained from National Australia Bank Limited, London Branch, 6/8 Tokenhouse Yard, London, EC2R 7AJ.