

HVB Finance London Limited

Directors' report and financial
statements

Registered number 03733494

Year Ended 31 December 2001



Directors' report

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

Principal activities

The principal activity of the company is to grant loans to companies incorporated in Greece and to arrange the syndication of these loans.

There were no employees during the year. In accordance with existing service agreements, the company pays management fees to its parent company, Bayerische Hypo und- Vereinsbank AG in consideration for financial consultancy and advisory, loans administration, accounting and financial services received. This management fee also incorporates the company's use of the parent company's premises and fixed assets.

Business review

At 31 December 2001 the company had 10 loan relationships and loan assets of Euro 72 million. The results for the year ended 31 December 2001 are given in the profit and loss account on page 4 of the financial statements.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. (2000: nil)

The company's retained profit for the year is Euro 409,000 (2000: Euro 267,000).

Directors and directors' interests

The directors who held office during the year were as follows:

Ms RA Shelmerdine

Mr K Bright

Mr J Laviolette

Mr M Self

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company, or any other group company, were granted to or exercised by any of the directors or their immediate families during the financial year.

Political and charitable contributions

The company made no political contributions during the year. Charitable contributions amounted to €nil (2000: €nil)

Statement of 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.

Auditors

Pursuant to section 386 of the Companies Act 1985, the company is not obliged to reappoint its auditors annually and KPMG will therefore continue in office.

By order of the board



Rosalyn Shelmerdine
Company Secretary

41 Moorgate,
London, EC2R 6PP

18 April 2002



KPMG Audit Plc
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Auditors' report to the members of HVB Finance London Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, 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. 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 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 as 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.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor

18 May 2002

Profit and loss account

for the year ended 31 December 2001

	Note	Year ended 31 December 2001 €000	Period to 31 December 2000 €000
Interest receivable		2,922	3,364
Interest payable to parent company		(2,419)	(2,697)
Net interest receivable		503	667
Other operating income		258	28
Operating income		761	695
Operating expenses		(249)	(292)
Foreign exchange loss		512 (6)	403 (21)
Profit on ordinary activities before taxation	2	506	382
Tax on profit on ordinary activities	3	(97)	(115)
Profit on ordinary activities after taxation		409	267
Dividend	4	0	0
Retained profit for the period		409	267

The company has no recognised gains or losses other than those reflected in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

Balance sheet

at 31 December 2001

	Note	2001 €000	2000 €000
Current assets			
Loans to customers			
- due within one year		14,267	46,498
- due after more than one year		57,582	12,946
		<hr/>	<hr/>
		71,849	59,444
Cash at bank and in hand		866	544
Other assets : amounts falling due within one year		320	342
		<hr/>	<hr/>
		73,035	60,330
Creditors: amounts falling due within one year	5	(14,704)	(47,044)
		<hr/>	<hr/>
Net current assets		58,331	13,286
Creditors: amounts falling due after more than one year	6	(57,582)	(12,946)
		<hr/>	<hr/>
Net assets		749	340
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	25	25
Profit and loss account	8	724	315
		<hr/>	<hr/>
Shareholders' funds		749	340
		<hr/>	<hr/>

The notes on pages 6 to 9 form part of these financial statements.

These financial statements were approved by the board of directors on 18 April 2002 and were signed on its behalf by:



John Laviolette
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards. The financial statements have been prepared on a going concern basis.

The company's share capital is denominated in Euros as it is the currency of the primary economic environment in which it operates and generates cash flows. Accordingly, the financial statements are prepared and presented in Euros.

Income and expenses

Interest receivable and payable are accounted for on an accrual basis over the term of the transactions. Other income such as loan fees are accounted for on a received basis to the extent that they relate to costs incurred in the year.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempted from the requirement to prepare a cash flow statement on the grounds of its size.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Notes (continued)

2 Profit on ordinary activities before taxation

	2001 €000	2000 €000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:	6	7
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3 Taxation

	2001 €000	2000 €000
UK corporation tax at 30% on the profit for the year on ordinary activities	97	115
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4 Dividends

There were no dividend payments during the year (2000: nil).

5 Creditors: amounts falling due within one year

	2001 €000	2000 €000
Amounts owed to parent company	14,647	46,969
Other creditors	6	7
Corporation tax	51	68
	<hr/>	<hr/>
	14,704	47,044
	<hr/>	<hr/>

Notes (continued)

6 Creditors: amounts falling due after more than one year

	2001 €000	2000 €000
Amounts owed to parent company	57,582	12,945

7 Called up share capital

	2001 €000	2000 €000
<i>Authorised</i>		
25 Ordinary shares of €1,000 each	25	25
<i>Allotted, called up and fully paid</i>		
25 Ordinary shares of €1,000 each	25	25

8 Reconciliation of movements in shareholders' funds

	2001 €000	2000 €000
Shareholders' funds brought forward	315	50
Profit for the financial year	409	267
Shareholders' funds carried forward	724	317

Notes (continued)

9 Parent company undertaking

The company's parent is Bayerische Hypo und- Vereinsbank AG, a company incorporated in Germany. Copies of the group financial statements of HypoVereinsbank are available to the public and may be obtained from HypoVereinsbank, London Branch, 41 Moorgate, London EC2R 6PP.

10 Related party disclosure

The company is controlled by its parent company. All the company's loans are financed by back to back loans via the parent company. Interest expense in relation to these loans amounted to €2,418,873 (2000: €2,697,000) during the year. Outstanding loans from parent company amounted to €71,848,923 as at 31 December 2001 (2000: €59,914,000).

In addition, the parent company provides financial consultancy and advisory, loans administration, accounting and financial services to the company. In accordance with existing service agreements with the parent company, management and guarantee fees payable amounted to €63,832 and €176,924 respectively (2000: €80,081 and €205,225).