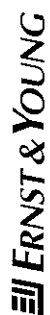


**HORNDRIFT LIMITED**

Report and Accounts

30 November 2001

 ERNST & YOUNG



# Horndrift Limited

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Registered no. 3871243

## **DIRECTORS**

G P C Mackay

J E Daniel

## **SECRETARY**

Clifford Chance Secretaries Limited

## **ACCOUNTANTS**

Ernst & Young LLP

400 Capability Green

Luton

Beds

LU1 3LU

## **BANKERS**

Barclays Bank plc

Broadgate

London

EC2H 3XA

## **REGISTERED OFFICE**

200 Aldersgate Street

London

EC1A 4DD

# Horndrift Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 November 2001.

### PRINCIPAL ACTIVITY

The company's principal activity during the period was to hold residual interests in securitisations.

### DIRECTORS AND THEIR INTERESTS


The directors at 30 November 2001 and their interests in the share capital of the company were as follows:

|              | <i>At 30 November 2001 and 30 November 2000</i> |                                |  |
|--------------|---|--------------------------------|--|
|              | <i>'A' ordinary<br/>shares</i>                  | <i>'B' ordinary<br/>shares</i> | <i>Cumulative<br/>redeemable<br/>preference<br/>shares</i> |
| G P C Mackay | 1   | —                              | 100  |
| J E Daniel   | —   | —                              | 100  |

### SPECIAL PROVISIONS RELATING TO SMALL COMPANIES

This report has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

  
Director

22 MAY 2003

# Horndrift Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 November 2001

|  |       | Year<br>ended<br>30 November<br>2001 | 13 months<br>ended<br>30 November<br>2000 |
|--|-------|--------------------------------------|---|
|  | Notes | £                                    | £   |
| Other operating charges                              |       | 731,281                              | —   |
| <b>OPERATING LOSS</b>                                |       | (731,281)                            | —   |
| Profit on disposal of fixed asset investments        | 3     | 1,504,821                            | —   |
|  |       | 773,540                              | —   |
| Interest receivable and similar income               |       | 5,093                                | —   |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | 778,633                              | —   |
| Tax on profit on ordinary activities                 | 2     | 233,590                              | —   |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 | 7     | 545,043                              | —   |


There were no recognised gains or losses other than the profit for the year.

# Horndrift Limited

## BALANCE SHEET at 30 November 2001

|   | Notes | 2001<br>£      | 2000<br>£  |
|---|-------|----------------|------------|
| <b>FIXED ASSET INVESTMENTS</b>                        | 3     | —              | —          |
| <b>CURRENT ASSETS</b>                                 |       |                |            |
| Debtors   | 4     | 727,536        | —          |
| Cash at bank and in hand                              |       | 56,186         | 300        |
|   |       | <u>783,722</u> | <u>300</u> |
| <b>CREDITORS: amounts falling due within one year</b> | 5     | 238,379        | —          |
|   |       | <u>545,343</u> | <u>300</u> |
| <b>CAPITAL AND RESERVES</b>                           |       |                |            |
| Called up share capital                               | 6     | 300            | 300        |
| Profit and loss account                               | 7     | 545,043        | —          |
|   |       | <u>545,343</u> | <u>300</u> |
| <b>Shareholders' funds</b>                            |       |                |            |
| Equity  |       | 545,044        | 1          |
| Non-equity  |       | 299            | 299        |
|   |       | <u>545,343</u> | <u>300</u> |

For the year ended 30 November 2001 the company is entitled to the exemption from an annual audit permitted by subsection (1) of section 249A of the Companies Act 1985 and no notice has been deposited under subsection (2) of section 249B by a member requiring an audit. The directors are responsible for keeping accounting records which comply with section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view and which otherwise comply with the requirements of the Companies Act 1985 applicable to small companies and the Financial Reporting Standard for Smaller Entities.

  
Director

22 MAY 2003

NOTES TO THE ACCOUNTS  
at 30 November 2001

1. ACCOUNTING POLICIES

*Accounting convention*

The accounts have been prepared under the historical cost convention.

2. TAX ON PROFIT ON ORDINARY ACTIVITIES

|                    | <i>Year ended<br/>30<br/>November<br/>2001<br/>£</i> | <i>13 months<br/>ended 30<br/>November<br/>2000<br/>£</i> |
|--------------------|--|---|
| UK Corporation tax | 233,590  | —   |

3. FIXED ASSET INVESTMENTS

The company holds fixed asset investments which are carried at cost of £nil and are residual interests in the net assets of another company. That company holds properties that are leased on long term leases. The company issued bonds to finance the purchase of the properties and on maturity of the leases the properties will be sold and the proceeds used to redeem any outstanding amounts on the bonds. Any surplus amount will be distributed between the parties holding the residual interest assets.

During the year the company sold 37½% of its residual interests for £1,504,821.

4. DEBTORS

|                        | <i>2001<br/>£</i> | <i>2000<br/>£</i> |
|------------------------|-------------------|-------------------|
| Other debtors (note 8) | 727,536           | —                 |

5. CREDITORS: amounts falling due within one year

|                              | <i>2001<br/>£</i> | <i>2000<br/>£</i> |
|------------------------------|-------------------|-------------------|
| Trade creditors              | 176               | —                 |
| Corporation tax              | 233,590           | —                 |
| Other creditors and accruals | 4,613             | —                 |
|                              | <u>238,379</u>    | <u>—</u>          |

# Horndrift Limited

## NOTES TO THE ACCOUNTS at 30 November 2001

### 6. SHARE CAPITAL

|   | <i>Authorised, allotted,<br/>called up and fully paid</i> |             |
|---|---|-------------|
|   | <i>2001</i>   | <i>2000</i> |
|   | <i>£</i>  | <i>£</i>    |
| 'A' ordinary shares of £1 each                        | 1   | 1           |
| 'B' ordinary shares of £1 each                        | 99  | 99          |
| 1% cumulative redeemable preference shares of £1 each | 200   | 200         |
|   | <u>300</u>  | <u>300</u>  |

The 'A' ordinary shares carry full voting rights. No dividend can be declared on the 'A' ordinary shares unless a dividend of up to 1% of the aggregate amount to be declared is, at the same time, declared on the 'B' ordinary shares.

The 'B' ordinary shares carry no voting rights. No dividend can be declared on the 'B' ordinary shares unless a dividend is also declared on the 'A' ordinary shares. On a winding up of the company the 'B' ordinary shareholders have a right to receive the nominal amount paid on each of their shares in preference to any payments to the 'A' ordinary shareholders. The 'B' ordinary shareholders have no further right to participate in the assets of the company available for distribution.

The preference shares are redeemable at par at any time after the provision of not less than 14 days written notice to the holders of such shares. Where the company distributes profit in respect of a financial year they carry a cumulative dividend of 1% per annum in priority to other shareholders.

The preference shares carry no voting rights. On a winding up of the company, the preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, £1 per share plus any accrued dividend.

### 7. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

|                     | <i>Share<br/>Capital<br/>£</i> | <i>Profit<br/>and loss<br/>account<br/>£</i> | <i>Total<br/>shareholders'<br/>funds<br/>£</i> |
|---------------------|--------------------------------|--|--|
| Issue of shares     | 300                            | —  | 300  |
| At 30 November 2000 | <u>300</u>                     | <u>—</u>                                     | <u>300</u>                                     |
| Profit for the year | —                              | 545,043                                      | 545,043  |
| At 30 November 2001 | <u>300</u>                     | <u>545,043</u>                               | <u>545,343</u>                                 |

NOTES TO THE ACCOUNTS  
at 30 November 2001

**8. RELATED PARTIES**

'Other debtors' (note 4) represents a loan made to G P C Mackay, a director and shareholder of the company. The loan is interest free and was waived in full on 8 April 2002.

During the year, the company paid consultancy fees of £725,000 to P R Daniel, spouse of J E Daniel and holder of 100 preference shares in the company.

**9. CONTROLLING PARTY**

The company is controlled by G P C Mackay.