

UBERIOR TRUSTEES LTD

REPORT AND ACCOUNTS

31st DECEMBER, 2001

COMPANY NUMBER 45153



SCT S2AQV00P
COMPANIES HOUSE

0046

19/18/02

SCT S2D80DH9
COMPANIES HOUSE

0537

19/08/02

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report of the above Nominee Company for the period ended 31st December, 2001.

The Nominee Company, which is limited by Guarantee and does not have a Share Capital, is not a Subsidiary Company of the Bank of Scotland. It operates only in a fiduciary capacity, the title and property held in the Nominee Company being deemed to be held on behalf of the Bank of Scotland.

The Nominee Company during the year had no cash transactions, (all fees received having been paid to Bank of Scotland and all expenses incurred having been paid by Bank of Scotland) and made no profits. No Profit and Loss Account or Balance Sheet has therefore been prepared.

Accounting reference date

The Company has changed its accounting reference date to 31st December from 28th February. Pursuant to schemes of arrangement under section 425 of the Companies Act, Bank of Scotland and Halifax Group became subsidiaries of HBOS plc on 10th September 2001. The merged group has a 31st December accounting reference date. These accounts are accordingly for a 10 month period.

Directors and their interests

The Directors at the date of this report are Mr K. A. Ellis, Mr W. G. Grieve and Mr J. McCann.

No Director had a beneficial interest in the shares of any undertaking within the Bank of Scotland group up to 10th September 2001, or within HBOS Group, from that date, to the end of the period, other than that shown below.

Under the terms of the merger, on 10th September 2001 each Halifax share or Bank of Scotland ordinary stock unit was exchanged for one HBOS plc ordinary share.

Directors' beneficial interests in the ordinary shares of HBOS plc were as follows:

	<u>At 1st March, 2001</u> <u>or at date of appointment</u> <u>Ordinary Stock Units of 25p each</u>	<u>At 31st December, 2001</u> <u>Ordinary Shares of 25p each</u>
John McCann	373	174
William Graham Grieve	603	1,041

Directors and their interests (Continued)

Options to subscribe for Ordinary Stock of Bank of Scotland/HBOS plc were granted to or exercised by Directors during the year to 31st December, 2001 as follows:-

Executive Stock Options held by Directors

	<u>#Options held</u> <u>as at 1st March, 2001</u>	<u>#Options</u> <u>Granted</u>	<u>#Options</u> <u>Exercised</u>	<u>#Options held</u> <u>as at 31st December, 2001</u>
John McCann	5,000	-	-	5,000

Ordinary Stock units/Shares of 25p each

HBOS policy is to make an annual grant of options over the ten year life of the Executive Stock Option Scheme.

Savings Related Stock Options held by Directors

	<u>#Options held</u> <u>as at 1st March, 2001</u>	<u>#Options</u> <u>Granted</u>	<u>#Options</u> <u>Exercised</u>	<u>#Options held</u> <u>as at 31st December, 2001</u>
Kenneth Andrew Ellis	3,791	-	-	3,791
John McCann	5,278	-	-	5,278
William Graham Grieve	1,376	1,201	-	2,577

Ordinary Stock units/Shares of 25p each

At the beginning of the financial period, the interests of the Directors were in the Bank of Scotland Ordinary Stock Units.

On 8 April 2002 K A Ellis resigned as a director of this company.

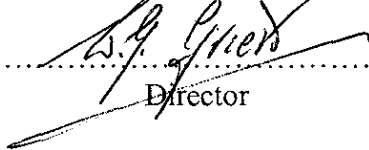
Secretary

The Company Secretary, Ms H. M. Lakin resigned on 30th November 2001, and on this date, Ms S. Mayer was appointed as Company Secretary.

Auditors

In accordance with the provisions of Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, KPMG will continue in office as auditors.

By Order of the Board,

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Director

12 April, 2002

Registered Office

The Mound,
Edinburgh,
EH1 1YZ

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare financial statements for each financial period 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 accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors have responsibility 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 accounts 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UBERIOR TRUSTEES LTD

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the accounts 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 accounts 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 accounts, 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 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 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 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Edinburgh

12 April 2002