

UBERIOR TRUSTEES LTD
REPORT AND ACCOUNTS
31 DECEMBER 2003



A11
COMPANIES HOUSE

APJXQUUT

0623
05/05/04

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report of the above Nominee Company for the year ended 31 December 2003.

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). The result for the current and preceding year was nil and therefore no profit and loss account has been prepared.

Directors and their interests

The Directors at the date of this report are as stated below. During the year no director had any beneficial interest in the share capital of the Company or of any group undertaking other than in HBOS plc, the ultimate holding company, details of which are set out below.

John Reid Leslie resigned as a director on 31 October 2003 and Femi Sobo resigned as Company Secretary on 24 December 2003. Sally Mayer remained as Company secretary throughout the year.

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

	<u>At 31st December 2002</u>	<u>At 31st December 2003</u>
	<u>Or date of appointment</u>	
	<u>Ordinary Shares of 25p each</u>	<u>Ordinary Shares of 25p each</u>
William Graham Grieve	3,121	2,044

Options to subscribe for ordinary shares of HBOS plc under sharesave plans as at 31st December 2003 were as follows:-

Sharesave Plan

	<u>#Options held as at 1 January 2003 Or date of Appointment</u>	<u>#Options Granted</u>	<u>#Options Exercised/ Lapsed</u>	<u>#Options held as at 31 December 2003</u>
William Graham Grieve	3,159	-	-	3,159

Ordinary shares of 25p each

Options in ordinary shares of HBOS plc, held under HBOS Inland Revenue Approved Share Option plan as at 31 December 2003 were as follows:-

HBOS Inland Revenue Approved Share Option Plan

	<u>#Options held as at 1 January 2003 Or date of Appointment</u>	<u>#Options Granted</u>	<u>#Options Exercised/ Lapsed</u>	<u>#Options held as at 31 December 2003</u>
William Graham Grieve	1,008	1,383	-	2,391

Ordinary shares of 25p each

Under the HBOS Inland Revenue Approved Share Option Plan, shares are granted to all HBOS employees, except certain senior executives.

Secretary

The Company Secretary during the year was Ms S. Mayer.

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 Audit Plc will continue in office as auditors.

By Order of the Board,

.....
Secretary

Date 19th February 2004

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 year which give a true and fair view of the state of affairs of the Company and of the results 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.

Independent auditors' report to the members of Uberior Trustees Limited

We have audited the financial statements on pages 6 to 7.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, 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 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 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 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 2003 and of its results 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

Date..... *19 Feb 2004*

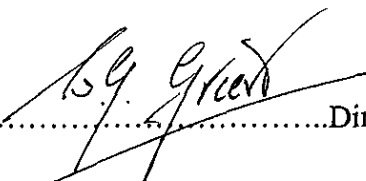
1 The Embankment
Neville Street
LEEDS
LS1 4DW

BALANCE SHEET

As at 31 December 2003

	<u>31 December</u> <u>2003</u>	<u>31 December</u> <u>2002</u>
	£	£
<u>Net Assets</u>	<u>-</u>	<u>-</u>
<u>Reserves</u>	<u>-</u>	<u>-</u>

The accounts were approved by the Board of Directors on 19th February 2004
And were signed on its behalf by:

..........Director

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

1 Company member and guarantee

The Company is Limited by a guarantee which is given by the member of the Company, Halifax Directors Limited who was appointed on the 18 February 2004. The extent of this guarantee is to such amounts as may be required but not exceeding £5.