

EAGLE FINANCIAL & LEASING SERVICES (UK) LIMITED
Report and Financial Statements
For the year ended 31 December 2002



**EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED
DIRECTORS' REPORT**

The directors present their report together with the audited financial statements for the year ended 31 December 2002.

Review of business

The principal activity of the company was and will continue to be the assumption of certain financial obligations in respect of leasing or hiring agreements.

Results And Dividends

During the year the Company made a profit after taxation of nil (2001: £1,368). The directors do not recommend the payment of a dividend (2001: £80,349).

Directors

The directors of the Company who served during the year, are as shown below:

Barcosec Limited
Barometers Limited
R E Goldstein
FL Clohse

**Directors' Interests In Shares
(as defined by the Companies Act 1985)**

Barcosec Limited and Barometers Limited have no beneficial interest in the shares of the Company, its holding Company or any fellow subsidiary.

Mr R Goldstein and Mr F Clohse are also directors of Barclays Directors Limited and their interests are disclosed in the financial statements of that company.

Statement Of Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditors' Report set out on Page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the Auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on Pages 4 to 8:

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and
- that all the accounting standards which they consider to be applicable have been followed; and
- that the financial statements have been prepared on a going concern basis.

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

EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED
DIRECTORS' REPORT (CONTINUED)

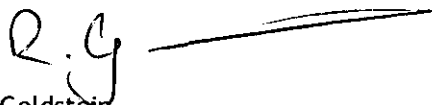
The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on the 11 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

On 24 January 1991 an elective resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By order of the board

A handwritten signature in black ink, appearing to be 'R. Goldstein', followed by a long horizontal line extending to the right.

R Goldstein
Director
54 Lombard Street
London EC3P 3AH

27th JUNE 2003

EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED

We have audited the financial statements on pages 4 to 8 which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 at 31 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

Date:

EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
Interest receivable and similar income	5	29,713,317	40,628,968
Interest payable and similar charges		(29,713,317)	(40,627,014)
Profit on ordinary activities before taxation		-	1,954
Tax on profit on ordinary activities	6	-	(586)
Profit on ordinary activities after taxation		-	1,368
Dividends Payable	7	-	(80,349)
Retained (loss)/profit for the year		-	(78,981)

All recognised gains and losses are included in the profit and loss account.

There is no difference between the results disclosed in the profit and loss account and the results on a modified historical cost basis.

Loss/profit on ordinary activities is derived from continuing activities.

The notes on pages 6 to 8 form an integral part of these financial statements.

EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Debtors - due from group undertakings		443,738,872	447,468,850
CREDITORS: Amounts falling due within one year			
Contractual obligations	11	(28,136,352)	(27,787,476)
Corporation tax payable		1,000	(586)
Other creditors		(4,609)	(3,023)
		<u>(28,139,961)</u>	<u>(27,791,085)</u>
NET CURRENT ASSETS		415,598,911	419,677,765
CREDITORS: Amounts falling due after more than one year			
Contractual obligations	11	(415,597,541)	(419,676,395)
		<u>1,370</u>	<u>1,370</u>
		<u><u>1,370</u></u>	<u><u>1,370</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account	9	<u>1,368</u>	<u>1,368</u>
Total Shareholders' Funds	10	<u><u>1,370</u></u>	<u><u>1,370</u></u>

A statement of movement in shareholders' funds is given in note 10.

The notes on pages 6 to 8 form an integral part of these financial statements.

The financial statements on pages 4 to 8 were approved by the Board of Directors on 27th JUNE 2003.

..... R Goldstein (Director)

EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force.

Interest payable

Interest expense is calculated in accordance with the rate inherent in the contractual obligations (see note 11).

Contractual obligations

The aggregate provision for future contractual obligations represents the future obligations under these contracts.

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling on the balance sheet date. Trading results denominated in foreign currencies are translated into sterling at average rates of exchange during the year. All other exchange profits and losses, which arise from normal trading activities, are included in the profit and loss account.

Adoption of new accounting standards

A change in accounting policy has arisen from the adoption in 2002 of Financial Reporting Standard 19 'Deferred tax' (FRS19). Previously, deferred tax was only provided on timing differences where it was considered probable that a liability to tax would crystallise. Deferred tax is now provided in full in respect of timing differences that have originated but not reversed at the balance sheet date, except where the likelihood of a deferred tax liability crystallising in the foreseeable future is remote.

The change in policy has had no effect on the financial statements of the company.

There have been no other significant changes to the accounting policies as described in the 2002 Financial statements.

2. CASH FLOW STATEMENT

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1, (FRS1), revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of Barclays Bank PLC, has elected to utilise the exemption provided in FRS1 not to produce a Cash Flow Statement.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees employed by the Company during 2002 or 2001. Auditors' remuneration for the period was borne by a fellow subsidiary and was not recharged to the Company.

4. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company during the year (2001: £Nil). The Company made no loans to its directors during the year.

EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £	2001 £
Interest receivable from group undertakings	29,713,317	40,627,013
Foreign exchange gain	-	1,955
	<u>29,713,317</u>	<u>40,628,968</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
Current taxation	-	586
	<u>-</u>	<u>586</u>

The tax charge is based on an effective UK corporation tax rate of 30% (2001: 30%).

7. DIVIDENDS

	2002 £	2001 £
Dividends on ordinary shares:		
Final dividend paid	-	80,349
	<u>-</u>	<u>80,349</u>

8. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised:		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Issued, allotted and fully paid:		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

9. PROFIT AND LOSS ACCOUNT

	£
As at 1 January 2002	1,368
Retained loss for the year	-
	<u>-</u>
As at 31 December 2002	1,368
	<u>1,368</u>

EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	-	1,368
Dividends	-	(80,349)
Opening shareholders' funds	1,370	80,351
Closing shareholders' funds	<u>1,370</u>	<u>1,370</u>

11. CONTRACTUAL OBLIGATIONS

During the period the Company entered into one new contract (2001: one) under which it became legally obliged to make a series of payments by reference to certain lease contracts. The provision for contractual obligations includes amounts of £310,921,424 (2001: £342,416,939) which are due for payment in more than five years. During the year £2,346,559 (2001: £61,381,350) of the provision was released as contractual payments were met and £9,454,400 (2001: £10,837,818) was accrued in respect of interest payable at 31 December 2002.

12. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), Related Party Disclosures not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Barclays Bank PLC, the consolidated financial statements of which are publicly available. During the period there have been no transactions with related parties other than group companies.

13. ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group accounts is Barclays PLC. Both companies are incorporated in Great Britain and registered in England and Wales. The statutory accounts of both Barclays Bank PLC and Barclays PLC are available from the Group Corporate Secretarial at 54 Lombard Street, London EC3P 3AH.