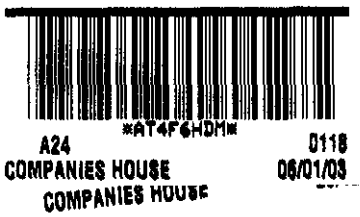
The Deep in Hull Limited

Directors' report and financial statements

Registered number 4120421

30 September 2002



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Officers and professional advisors

Directors

RP Cameron	(appointed 13 February 2002)
JE Hooper	(appointed 13 February 2002)
DJ Richards	(appointed 13 February 2002)
Councillor DW Gemmell	(resigned 13 February 2002)
JA Parkes CBE	(resigned 13 February 2002)
Professor P Ekkehard Kopp	(resigned 13 February 2002)
Professor G Chesters	(resigned 13 February 2002)
JF Brignall	(resigned 13 February 2002)
MR Killoran	(resigned 13 February 2002)
AJ Hunt	(resigned 13 February 2002)
A Pearson	(resigned 13 February 2002)

Secretary

P Butterworth	(resigned 13 February 2002)
K Leung	(appointed 13 February 2002)

Registered office

88 Wood Street
London
EC2V 7QQ

Company registration number

4120421

Auditors

KPMG Audit Plc
Chartered Accountants
PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Bankers

National Australia Bank Limited

A wholly owned subsidiary of National Europe Holdings Limited, a member of the National Australia Bank Group.

Directors' report

The directors present their report together with the audited financial statements of the company for the period to 30 September 2002.

Principal activities

The company provides leasing facilities to the Deep in Hull Millennium project.

Review of the business and future prospects

On 13 February 2002 the company entered into a Finance Lease with EMIH Limited over £12 million of Plant and Machinery acquired during the year ended 31 January 2002.

The directors consider that the company's activities will continue unchanged for the foreseeable future.

Dividends and transfers to reserves

The directors have not paid an interim dividend for the period under review *(31 January 2002: £Nil)*. The profit for the period of £52,256 *(31 January 2002: £148)* has been transferred to reserves. The directors do not propose to recommend the payment of a final dividend for the period.

Directors

The names of the current directors and those who served during the period are set out on page 1.

None of the directors had any disclosable interest in the shares of the company or any other UK group company.

In terms of the Articles of Association of the company, no directors require to retire by rotation.

Change of parent company

On 13 February 2002 the company was sold by its parent undertaking, EMIH Limited (registered no 3513218), to National Europe Holdings Limited, a subsidiary of National Australia Bank Limited ('NAB').

Change of year-end

The company has changed its financial year-end from 31 January to 30 September.

Political and charitable donations

The company made no political donations during the year *(31 January 2002: £nil)*. Donations to UK charities amounted to £nil *(31 January 2002: £8,857)*.

Auditors

In accordance with the provisions of the Companies Act 1985, as amended, the company has elected to dispense with the laying of accounts before a general meeting, the holding of annual general meetings and the obligation to appoint auditors annually.

By order of the board

K Leung
Secretary

88 Wood Street
London
EC2V 7QQ

12 December 2002

Statement of directors' responsibilities

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 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.

KPMG Audit Plc
PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditor's report to the members of The Deep in Hull Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditor, 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 30 September 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

13th December 2002

Profit and loss account

for the period from 1 February 2002 to 30 September 2002

	Note	1 February 2002 to 30 September 2002	Year ended 31 January 2002
		£	£
Turnover	*2*	**(162,906)**	9,068
Interest payable	*3*	**(276,954)**	-
Interest receivable		**9,457**	-
Gross (loss) / profit		**(430,403)**	9,068
Administrative expenses		**(4,000)**	(8,857)
(Loss) / profit on ordinary activities before taxation	*4*	**(434,403)**	211
Tax credit / (charge) on (loss) / profit on ordinary activities	*5*	**486,659**	(63)
Retained profit for the financial period / year	*13*	**52,256**	148

All items dealt with in arriving at the profit on ordinary activities before taxation for the period ended 30 September 2002 and the year ended 31 January 2002 relate to continuing operations.

A statement of movements on reserves is given in note 13.

Balance sheet
at 30 September 2002

	Note	30 September 2002 £	£	31 January 2002 £	£
Fixed assets					
Plant and machinery	6		-		12,000,800
Current assets					
Debtors	7				
Instalment debtors:					
Amounts falling due within one year		**175,343**		-	
Amounts falling due after more than one year		**11,641,619**		-	
		11,816,962		-	
Other debtors	8	**273,332**		11,003,951	
Cash at bank and in hand		**49,423**		344	
		12,139,717		11,004,295	
Creditors: amounts falling due within one year	9	**(11,992,864)**		(23,004,946)	
Net current assets / (liabilities)			**146,853**		(12,000,651)
Total assets less current liabilities			**146,853**		149
Provisions for liabilities and charges	10		**(94,448)**		-
Net assets			**52,405**		149
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		**52,404**		148
Shareholders' funds: equity	13		**52,405**		149

These financial statements were approved by the board of directors on 12 December 2002 and were signed on its behalf by:

D Richards
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 are prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

Equipment financed

In accordance with Statement of Standard Accounting Practice No. 21 issued by the Accounting Standards Committee, equipment on lease to customers is included under instalment debtors in the balance sheet at the amount of the net investment in the lease.

Income recognition

Income is credited to the profit and loss account on the terms of each finance lease agreement so as to produce a constant yield on a post-tax basis, as permitted by SSAP21.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Turnover

Turnover represents finance charges earned on finance leasing agreements, and sundry rental income.

3 Interest payable

This represents interest payable to group companies on bank loan and overdraft facilities provided.

Notes *(continued)*

4 (Loss)/ profit on ordinary activities before taxation

		30 September 2002 £	31 January 2002 £
The (loss) / profit on ordinary activities before taxation is stated after charging			
Auditor's remuneration	- Audit	**4,000**	-
	- Other services	-	-
		4,000	-

The directors received no remuneration for their services to the company during the period. Staff are provided by National Australia Bank Limited and National Australia Group Europe Limited and no management recharge is made.

5 Corporation tax (credit) / charge on profit on ordinary activities

a) Analysis of the (credit) / charge for the period

	30 September 2002 £	31 January 2002 £
Corporation tax (credit) / charge at 30% *(31 January 2002: 30%)*		
Current period	**(581,107)**	63
Transfer to deferred taxation (note 10)		
Current period	**94,448**	-
	(486,659)	63

b) Factors affecting the tax (credit) / charge for the current period

The current tax credit (31 January 2002 : tax charge) for the period is greater than (31 January 2002 : equivalent to) the standard rate of corporation tax in the UK of 30%, (31 January 2002 : 30%). The difference is explained below :

	30 September 2002 £	31 January 2002 £
Current tax reconciliation		
(Loss) / profit on ordinary activities before tax	**(434,403)**	211
Current tax at 30% (31 January 2002 : 30%)	**(130,321)**	63
Effects of :		
Permanent timing difference	**(450,786)**	-
Total current tax (credit) / charge (see above)	**(581,107)**	63

c) Factors that may affect future tax charges

There are no items which would materially affect the future tax charge.

Notes *(continued)*

6 Plant and machinery

During the period ended 30 September 2002, the company granted a finance lease over the fixed assets held as at 31 January 2002.

7 Assets purchased and rentals receivable

The cost of the assets purchased during the period for the purpose of leasing was £Nil *(31 January 2002: £12,000,800)*. Finance lease rentals receivable in the period amounted to £18,587 *(31 January 2002 : £Nil)*.

8 Other debtors

	30 September 2002	31 January 2002
	£	£
Amounts due from parent undertaking	**-**	11,003,951
Group relief receivable	**273,332**	-
	273,332	11,003,951

9 Creditors

Amounts falling due within one year:

	30 September 2002	31 January 2002
	£	£
Amounts due to ultimate parent undertaking	**11,872,549**	-
Amounts due to fellow group undertaking	**10,000**	-
Amounts due to parent undertaking	**-**	23,003,951
Corporation tax payable	**-**	63
Other creditors and accruals	**110,315**	932
	11,992,864	23,004,946

Notes *(continued)*

10 Provisions for liabilities and charges

	30 September 2002	31 January 2002
	£	£
Deferred taxation provided at 30% *(31 January 2002: 30%)* in the financial statements as follows:		
At beginning of period	-	Nil
Additional amount provided during the period	**94,448**	-
At end of period	**94,448**	-

Deferred tax represents short term timing differences.

11 Share capital

	30 September 2002	31 January 2002
	£	£
Authorised:		
1,000 ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	**1**	1

12 Profit and loss account

	30 September 2002
	£
Profit brought forward	**148**
Retained profit for the period	**52,256**
Profit carried forward at end of period	**52,404**

13 Reconciliation of movement in shareholders' funds

	30 September 2002	31 January 2002
	£	£
Retained profit for the financial period	**52,256**	148
Opening shareholders' funds	**149**	1
Closing shareholders' funds: equity	**52,405**	149

Notes *(continued)*

14 Cash flows

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

15 Related party transactions

Under Financial Reporting Standard 8 companies which are wholly owned subsidiaries of a parent whose consolidated financial statements in which the subsidiaries' results are included are publicly available, are granted exemption from disclosing inter-group transactions. The company is such a subsidiary undertaking and accordingly has not disclosed such transactions.

16 Ultimate parent company

The company's ultimate parent company is National Australia Bank Limited, a company incorporated in the State of Victoria, Australia.

17 Parent undertaking

The largest and smallest groups in which the results of the company are consolidated are those headed by the following:

	Name of parent undertaking	*Place of registration*	*Place of incorporation*	*Address from which group Financial statements available to public*
Largest group	National Australia Bank Limited	-	Australia	500 Bourke Street, Melbourne, Australia
Smallest group	National Australia Group Europe Limited	Great Britain	England & Wales	88 Wood Street, London EC2V 7QQ, England