

**Holmes Financing (No. 1) PLC**  
**Profit & Loss Account**  
**Period ended 16 October 2000**

	<b>This Quarter</b> <b>£'000</b>	<b>Prior Quarter</b> <b>£'000</b>
Interest receivable - Inter-company loan	32,756	-
Interest receivable - Cash deposits	-	-
	<u>32,756</u>	<u>-</u>
Interest payable - Notes	(32,724)	-
Interest payable	-	-
	<u>(32,724)</u>	<u>-</u>
Net operating income	<u>32</u>	<u>-</u>
Other income	30	-
Operating expenses	(30)	-
Profit on ordinary activities before taxation	<u>32</u>	<u>-</u>
Taxation	(10)	-
Profit on ordinary activities after taxation	<u>22</u>	<u>-</u>
Dividend	-	-
Retained profit brought forward	-	-
Retained profit carried forward	<u><u>22</u></u>	<u><u>-</u></u>

**Holmes Financing (No. 1) PLC**  
**Balance Sheet**  
**Period ended 16 October 2000**

	£'000	£'000
<b>Fixed asset investments</b>		
Loans to Funding		2,256,000
<b>Current assets</b>		
Cash at bank	44	
	<u>44</u>	
<b>Creditors: Amounts falling due within one year</b>		
Taxation	10	
	<u>10</u>	
Net current assets		34
Total assets less current liabilities		<u>2,256,034</u>
<b>Creditors: Amounts falling due after more than one year</b>		
Amounts due to noteholders		(2,256,000)
Net assets		<u><u>34</u></u>
<b>Capital and reserves</b>		
Share capital		12
Reserves		22
		<u>34</u>
		<u><u>34</u></u>

**Holmes Financing (No. 1) PLC**  
**Notes Outstanding**  
**Period ended 16 October 2000**

	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A1</b>	<b>Series 3 Class A2</b>	<b>Series 4 Class A</b>
Moody's current rating	Aaa	Aaa	Aaa	Aaa	Aaa
Fitch Ratings current rating	AAA	AAA	AAA	AAA	AAA
S&P current rating	AAA	AAA	AAA	AAA	AAA
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>		<b>Series 4 Class B</b>
Moody's current rating	Aa	Aa	Aa		Aaa
Fitch Ratings current rating	AA	AA	AA		AAA
S&P current rating	AA	AA	AA		AAA
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>		<b>Series 4 Class C</b>
Moody's current rating	Aaa	Aaa	Aaa		Aaa
Fitch Ratings current rating	AAA	AAA	AAA		AAA
S&P current rating	AAA	AAA	AAA		AAA
	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A1</b>	<b>Series 3 Class A2</b>	<b>Series 4 Class A</b>
	\$	\$	£	€	£
Initial note balance	900,000,000	975,000,000	375,000,000	320,000,000	250,000,000
Previous quarter's note principal	900,000,000	975,000,000	375,000,000	320,000,000	250,000,000
Note redemptions	-	-	-	-	-
Outstanding note principal	900,000,000	975,000,000	375,000,000	320,000,000	250,000,000
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>		<b>Series 4 Class B</b>
	\$	\$	£		£
Initial note balance	31,500,000	34,500,000	24,000,000		11,000,000
Previous quarter's note principal	31,500,000	34,500,000	24,000,000		11,000,000
Note redemptions	-	-	-		-
Outstanding note principal	31,500,000	34,500,000	24,000,000		11,000,000
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>		<b>Series 4 Class C</b>
	\$	\$	£		£
Initial note balance	42,000,000	45,000,000	30,000,000		14,000,000
Previous quarter's note principal	42,000,000	45,000,000	30,000,000		14,000,000
Note redemptions	-	-	-		-
Outstanding note principal	42,000,000	45,000,000	30,000,000		14,000,000
	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A1</b>	<b>Series 3 Class A2</b>	<b>Series 4 Class A</b>
Note interest margins	14	19	26	26	N/A
Step up dates	N/A	N/A	N/A	N/A	16/07/2010
Step up margins	N/A	N/A	N/A	N/A	125
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>		<b>Series 4 Class B</b>
Note interest margins	38	41	45		62
Step up dates	16/07/2010	16/07/2010	16/07/2010		16/07/2010
Step up margins	138	141	145		162
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>		<b>Series 4 Class C</b>
Note interest margins	103	115	160		175
Step up dates	16/07/2010	16/07/2010	16/07/2010		16/07/2010
Step up margins	203	215	260		275
Interest payment cycle	Quarterly				
Interest payment date	15th or next business day				
Next interest payment date	16/01/2001				
Liquidity facility limit	£	25,000,000			
Liquidity facility drawn		Nil			
Liquidity facility available	£	25,000,000			

**Holmes Funding Limited**  
**Profit & Loss Account**  
**Period ended 16 October 2000**

	<b>This Quarter</b>	<b>Prior Quarter</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable - Mortgages	36,604	-
Interest receivable - Cash Deposits	224	-
	<u>36,828</u>	<u>-</u>
Interest payable - Inter-company loan	(32,756)	-
Interest payable - Start up loan	(191)	-
	<u>(32,947)</u>	<u>-</u>
Net operating income	<u>3,881</u>	<u>-</u>
Other income	691	-
Insurance commission	-	-
Operating expenses	(1,785)	-
Deferred consideration	(3,729)	-
Profit on ordinary activities before taxation	<u>(942)</u>	<u>-</u>
Taxation	(1)	-
Profit on ordinary activities after taxation	<u>(943)</u>	<u>-</u>
Dividend	-	-
Retained profit brought forward	-	-
Retained profit carried forward	<u><u>(943)</u></u>	<u><u>-</u></u>

**Holmes Funding Limited**  
**Balance Sheet**  
**Period ended 16 October 2000**

	£'000	£'000
<b>Fixed asset investments</b>		
Beneficial interest in Trust mortgage portfolio		2,255,048
<b>Current assets</b>		
Amounts owed by Trustee	3,973	
Deferred expenditure (costs of securing)	6,842	
Cash at bank:		
Reserve funding	-	
Transaction account	571	
Funding GIC account	6,080	
	<u>17,466</u>	
<b>Creditors: Amounts falling due within one year</b>		
Deferred consideration creditor	3,729	
Interest payable accrual	191	
Sundry creditors	536	
Taxation	1	
	<u>4,457</u>	
Net current assets		13,009
Total assets less current liabilities		<u>2,268,057</u>
<b>Creditors: Amounts falling due after more than one year</b>		
Inter-company loan		(2,256,000)
Start up loan		(13,000)
Net assets		<u><u>(943)</u></u>
<b>Capital and reserves</b>		
Share capital (£2)		-
Reserves		(943)
		<u><u>(943)</u></u>

**Holmes Funding Limited**  
**First Issuer Notes to Balance Sheet**  
**Period ended 16 October 2000**

	£'000	£'000	£'000
<b>Balance on cash accumulation ledger</b>	<u>Nil</u>		
<b>Available credit enhancement</b>			
Reserve fund at closing	<u>6,000</u>		
Initial closing reserve fund	6,000		
Drawings to make bullet repayment	-		
Other drawings	-		
Transfers from revenue receipts	<u>61</u>		
Closing reserve balance	<u>6,061</u>		
Target reserve fund	<u>30,000</u>		
<b>Principal deficiency ledger</b>			
	AAA	AA	BBB
Opening PDL balance	Nil	Nil	Nil
Losses this quarter	-	-	-
PDL top up from revenue income	-	-	-
Closing PDL balance	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
<b>Start up loan outstanding</b>			
Initial balance	<u>13,000</u>		
Initial closing outstanding	13,000		
Accrued interest	-		
Repayments made	-		
Closing balance	<u>13,000</u>		
<b>Liquidity facility</b>			
Liquidity facility limit	25,000		
Liquidity facility drawn	-		
Liquidity facility available	25,000		

**Holmes Trustees Limited**  
**Profit & Loss Account**  
**Period ended 16 October 2000**

	<b>This Quarter</b>	<b>Prior Quarter</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable - Mortgages	103,743	-
Interest receivable - Cash Deposits	818	-
	<u>104,561</u>	<u>-</u>
Interest payable - Mortgages	(103,743)	-
Interest payable - Cash Deposits	(818)	-
	<u>(104,561)</u>	<u>-</u>
Net operating income	<u>-</u>	<u>-</u>
Fees receivable	356	-
Fees payable	(356)	-
Operating expenses	(614)	-
Provision charges	(2,683)	-
Other income	3,297	-
Profit on ordinary activities before taxation	<u>-</u>	<u>-</u>
Taxation	-	-
Profit on ordinary activities after taxation	<u>-</u>	<u>-</u>
Dividend	-	-
Retained profit brought forward	-	-
Retained profit carried forward	<u><u>-</u></u>	<u><u>-</u></u>

**Holmes Trustees Limited**  
**Balance Sheet**  
**Period ended 16 October 2000**

	£'000	£'000
<b>Fixed asset investments</b>		
Mortgage loans secured on residential property		6,398,802
<b>Current assets</b>		
Bank interest receivable	211	
Cash at bank	33,666	
	<u>33,877</u>	
<b>Creditors: Amounts falling due within one year</b>		
Amounts due to Seller	29,904	
Amounts due to Funding	3,973	
	<u>33,877</u>	
Net current assets		-
Total assets less current liabilities		<u>6,398,802</u>
<b>Creditors: Amounts falling after more than one year</b>		
Seller share of mortgage loans		(4,143,754)
Funding share of mortgage loans		(2,255,048)
Net assets		<u><u>-</u></u>
<b>Capital and reserves</b>		
Share capital (£2)		-
Reserves		-
		<u><u>-</u></u>