

Holmes Financing (No. 1) PLC
Profit & Loss Account
Period ended 16 January 2001

	This Quarter	Prior Quarter
	£'000	£'000
Interest receivable - Inter-company loan	36,684	32,756
Interest receivable - Cash deposits	1	-
	<u>36,685</u>	<u>32,756</u>
Interest payable - Notes	(36,684)	(32,724)
Interest payable	-	-
	<u>(36,684)</u>	<u>(32,724)</u>
Net operating income	<u>1</u>	<u>32</u>
Other income	35	30
Operating expenses	(35)	(30)
Profit on ordinary activities before taxation	<u>1</u>	<u>32</u>
Taxation	-	(10)
Profit on ordinary activities after taxation	<u>1</u>	<u>22</u>
Dividend	-	-
Retained profit brought forward	22	-
Retained profit carried forward	<u><u>23</u></u>	<u><u>22</u></u>

Holmes Financing (No. 1) PLC
Balance Sheet
Period ended 16 January 2001

	£'000	£'000
Fixed asset investments		
Loans to Funding		2,256,000
Current assets		
Cash at bank	45	
	<u>45</u>	
Creditors: Amounts falling due within one year		
Taxation	10	
	<u>10</u>	
Net current assets		35
Total assets less current liabilities		<u>2,256,035</u>
Creditors: Amounts falling due after more than one year		
Amounts due to noteholders		(2,256,000)
Net assets		<u><u>35</u></u>
Capital and reserves		
Share capital		12
Reserves		23
		<u>35</u>
		<u><u>35</u></u>

Holmes Financing (No. 1) PLC
Notes Outstanding
Period ended 16 January 2001

	Series 1 Class A	Series 2 Class A	Series 3 Class A1	Series 3 Class A2	Series 4 Class A
Moody's current rating	Aaa	Aaa	Aaa	Aaa	Aaa
S&P current rating	AAA	AAA	AAA	AAA	AAA
Fitch Ratings current rating	AAA	AAA	AAA	AAA	AAA
	Series 1 Class B	Series 2 Class B	Series 3 Class B		Series 4 Class B
Moody's current rating	Aa	Aa	Aa		Aaa
S&P current rating	AA	AA	AA		AAA
Fitch Ratings current rating	AA	AA	AA		AAA
	Series 1 Class C	Series 2 Class C	Series 3 Class C		Series 4 Class C
Moody's current rating	Aaa	Aaa	Aaa		Aaa
S&P current rating	AAA	AAA	AAA		AAA
Fitch Ratings current rating	AAA	AAA	AAA		AAA
	Series 1 Class A	Series 2 Class A	Series 3 Class A1	Series 3 Class A2	Series 4 Class A
	\$	\$	£	€	£
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
	Series 1 Class B	Series 2 Class B	Series 3 Class B		Series 4 Class 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
	Series 1 Class C	Series 2 Class C	Series 3 Class C		Series 4 Class C
	\$	\$	£		£
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
	Series 1 Class A	Series 2 Class A	Series 3 Class A1	Series 3 Class A2	Series 4 Class A
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
	Series 1 Class B	Series 2 Class B	Series 3 Class B		Series 4 Class 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
	Series 1 Class C	Series 2 Class C	Series 3 Class C		Series 4 Class C
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	17/04/2001				
Liquidity facility limit	£	25,000,000			
Liquidity facility drawn		Nil			
Liquidity facility available	£	25,000,000			

Holmes Financing (No. 2) PLC
Profit & Loss Account
Period ended 16 January 2001

	This Quarter £'000	Prior Quarter £'000
Interest receivable - Inter-company loan	19,741	-
Interest receivable - Cash deposits	-	-
	<u>19,741</u>	<u>-</u>
Interest payable - Notes	(19,741)	-
Interest payable	-	-
	<u>(19,741)</u>	<u>-</u>
Net operating income	<u>-</u>	<u>-</u>
Other income	29	-
Operating expenses	(29)	-
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 Financing (No. 2) PLC
Balance Sheet
Period ended 16 January 2001

	£'000	£'000
Fixed asset investments		
Loans to Funding		2,404,516
Current assets		
Cash at bank	<u>13</u>	
	<u>13</u>	
Creditors: Amounts falling due within one year		
Taxation	<u>-</u>	
	<u>-</u>	
Net current assets		13
Total assets less current liabilities		<u>2,404,529</u>
Creditors: Amounts falling due after more than one year		
Amounts due to noteholders		(2,404,516)
Net assets		<u><u>13</u></u>
Capital and reserves		
Share capital		13
Reserves		<u>-</u>
		<u><u>13</u></u>

Holmes Financing (No. 2) PLC
Notes Outstanding
Period ended 16 January 2001

	Series 1 Class A	Series 2 Class A	Series 3 Class A	Series 4 Class A
Moody's current rating	Aaa	Aaa	Aaa	Aaa
S&P current rating	AAA	AAA	AAA	AAA
Fitch Ratings current rating	AAA	AAA	AAA	AAA
	Series 1 Class B	Series 2 Class B	Series 3 Class B	Series 4 Class B
Moody's current rating	Aa3	Aa3	Aa3	Aa3
S&P current rating	AA	AA	AA	AA
Fitch Ratings current rating	AA	AA	AA	AA
	Series 1 Class C	Series 2 Class C	Series 3 Class C	Series 4 Class C
Moody's current rating	Baa2	Baa2	Baa2	Baa2
S&P current rating	BBB	BBB	BBB	BBB
Fitch Ratings current rating	BBB	BBB	BBB	BBB
	Series 1 Class A	Series 2 Class A	Series 3 Class A1	Series 4 Class A
	\$	\$	£	€
Initial note balance	1,000,000,000	1,000,000,000	500,000,000	500,000,000
Previous quarter's note principal	1,000,000,000	1,000,000,000	500,000,000	500,000,000
Note redemptions	-	-	-	-
Outstanding note principal	1,000,000,000	1,000,000,000	500,000,000	500,000,000
	Series 1 Class B	Series 2 Class B	Series 3 Class B	Series 4 Class B
	\$	\$	£	€
Initial note balance	37,000,000	37,000,000	19,000,000	21,000,000
Previous quarter's note principal	37,000,000	37,000,000	19,000,000	21,000,000
Note redemptions	-	-	-	-
Outstanding note principal	37,000,000	37,000,000	19,000,000	21,000,000
	Series 1 Class C	Series 2 Class C	Series 3 Class C	Series 4 Class C
	\$	\$	£	€
Initial note balance	49,000,000	49,000,000	25,000,000	35,000,000
Previous quarter's note principal	49,000,000	49,000,000	25,000,000	35,000,000
Note redemptions	-	-	-	-
Outstanding note principal	49,000,000	49,000,000	25,000,000	35,000,000
	Series 1 Class A	Series 2 Class A	Series 3 Class A1	Series 4 Class A
Note interest margins	9	18	24	27
Step up dates	N/A	16/10/2007	16/10/2007	16/10/2007
Step up margins	N/A	36	48	54
	Series 1 Class B	Series 2 Class B	Series 3 Class B	Series 4 Class B
Note interest margins	35	44	45	50
Step up dates	16/10/2007	16/10/2007	16/10/2007	16/10/2007
Step up margins	135	144	145	150
	Series 1 Class C	Series 2 Class C	Series 3 Class C	Series 4 Class C
Note interest margins	120	135	150	160
Step up dates	16/10/2007	16/10/2007	16/10/2007	16/10/2007
Step up margins	220	235	250	260
Interest payment cycle	Quarterly			
Interest payment date	15th or next business day			
Next interest payment date	17/04/2001			
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 January 2001

	This Quarter	Prior Quarter
	£'000	£'000
Interest receivable - Mortgages	62,436	36,604
Interest receivable - Cash Deposits	521	224
	<u>62,957</u>	<u>36,828</u>
Interest payable - Inter-company loans	(56,425)	(32,756)
Interest payable - Start up loans	(325)	(191)
	<u>(56,750)</u>	<u>(32,947)</u>
Net operating income	<u>6,207</u>	<u>3,881</u>
Other income	791	691
Insurance commission	-	-
Operating expenses	(2,981)	(1,785)
Deferred consideration	(5,058)	(3,729)
Profit/(loss) on ordinary activities before taxation	<u>(1,041)</u>	<u>(942)</u>
Taxation	(2)	(1)
Profit/(loss) on ordinary activities after taxation	<u>(1,043)</u>	<u>(943)</u>
Dividend	-	-
Retained profit/(loss) brought forward	(943)	-
Retained profit/(loss) carried forward	<u><u>(1,986)</u></u>	<u><u>(943)</u></u>

Holmes Funding Limited
Balance Sheet
Period ended 16 January 2001

	£'000	£'000
Fixed asset investments		
Beneficial interest in Trust mortgage portfolio		4,658,465
Current assets		
Deferred expenditure (costs of securing)	12,297	
Cash at bank:		
Reserve funding	24,171	
Transaction account	570	
Funding GIC account	1,034	
	<u>38,072</u>	
Creditors: Amounts falling due within one year		
Deferred consideration creditor	8,787	
Interest payable accrual	516	
Amounts due to Trustee	1,889	
Sundry creditors	562	
Taxation	3	
	<u>11,757</u>	
Net current assets		26,315
Total assets less current liabilities		<u>4,684,780</u>
Creditors: Amounts falling due after more than one year		
Inter-company loans		(4,660,516)
Start up loans		(26,250)
Net assets		<u><u>(1,986)</u></u>
Capital and reserves		
Share capital (£2)		-
Reserves		(1,986)
		<u><u>(1,986)</u></u>

Holmes Funding Limited
First Issuer Notes to Balance Sheet
Period ended 16 January 2001

	£'000	£'000	£'000
Balance on cash accumulation ledger	<u>Nil</u>		
Available credit enhancement			
Reserve fund at closing	<u>13,500</u>		
Initial closing reserve fund	6,061		
Drawings to make bullet repayment	-		
Other drawings	7,500		
Transfers from revenue receipts	<u>11,153</u>		
Closing reserve balance	<u>24,714</u>		
Target reserve fund	<u>62,000</u>		
Principal deficiency ledger			
	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>
Start up loan outstanding			
Initial balance	<u>26,250</u>		
Initial closing outstanding	13,000		
Second start up loan	13,250		
Accrued interest	516		
Repayments made	-		
Closing balance	<u>26,766</u>		
Liquidity facility			
Liquidity facility limit	25,000		
Liquidity facility drawn	-		
Liquidity facility available	25,000		

Holmes Trustees Limited
Profit & Loss Account
Period ended 16 January 2001

	This Quarter	Prior Quarter
	£'000	£'000
Interest receivable - Mortgages	115,149	103,743
Interest receivable - Cash Deposits	923	818
	<u>116,072</u>	<u>104,561</u>
Interest payable - Mortgages	(115,149)	(103,743)
Interest payable - Cash Deposits	(923)	(818)
	<u>(116,072)</u>	<u>(104,561)</u>
Net operating income	<u>-</u>	<u>-</u>
Fees receivable	490	356
Fees payable	(490)	(356)
Operating expenses	(1,063)	(614)
Provision charges	(68)	(2,683)
Other income	1,131	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 January 2001

	£'000	£'000
Fixed asset investments		
Mortgage loans secured on residential property		6,405,016
Current assets		
Bank interest receivable	211	
Cash at bank	30,989	
Amounts due from Funding	1,889	
	<u>33,089</u>	
Creditors: Amounts falling due within one year		
Amounts due to Seller	33,089	
	<u>33,089</u>	
Net current assets		-
Total assets less current liabilities		<u>6,405,016</u>
Creditors: Amounts falling after more than one year		
Seller share of mortgage loans		(1,746,551)
Funding share of mortgage loans		(4,658,465)
Net assets		<u><u>-</u></u>
Capital and reserves		
Share capital (£2)		-
Reserves		-
		<u><u>-</u></u>