

**Holmes Financing (No. 1) PLC**  
**Profit & Loss Account**  
**Period ended 15 October 2002**

	This Quarter £'000	Prior Quarter £'000
Interest receivable - Inter-company loan	24,747	24,972
Interest receivable - Cash deposits	24,747	24,972
	<hr/>	<hr/>
Interest payable - Notes	(24,747)	(24,972)
Interest payable	-	-
	<hr/>	<hr/>
Net operating income	-	-
Other income	43	55
Operating expenses	(43)	(45)
	<hr/>	<hr/>
Profit on ordinary activities before taxation	-	10
Taxation	-	-
	<hr/>	<hr/>
Profit on ordinary activities after taxation	-	10
Dividend	-	-
Retained profit brought forward	35	25
	<hr/>	<hr/>
Retained profit carried forward	<u>35</u>	<u>35</u>

**Holmes Financing (No. 1) PLC**  
**Balance Sheet**  
**Period ended 15 October 2002**

£'000

**Fixed asset investments**

Loans to Funding 2,256,000

**Current assets**

Sundry debtors	89
Cash at bank	21
	<u>110</u>

**Creditors: Amounts falling due within one year**

Sundry creditors	63
	<u>63</u>

Net current assets 47

Total assets less current liabilities	<u><u>2,256,047</u></u>
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**Creditors: Amounts falling due after more than one year**

Amounts due to noteholders 2,256,000

Net assets	<u><u>47</u></u>
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**Capital and reserves**

Share capital	12
Reserves	35
	<u>47</u>

**Holmes Financing (No. 1) PLC**  
**Notes Outstanding**  
**Period ended 15 October 2002**

	<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
S&P current rating	AAA	AAA	AAA	AAA	AAA
Fitch Ratings 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
S&P current rating	AA	AA	AA		AAA
Fitch Ratings 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
S&P current rating	AAA	AAA	AAA		AAA
Fitch Ratings 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	15/01/2003				
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 15 October 2002**

	This Quarter £'000	Prior Quarter £'000
Interest receivable - Inter-company loan	18,738	26,299
Interest receivable - Cash deposits	18,738	26,299
	<hr/>	<hr/>
Interest payable - Notes	(18,738)	(26,299)
Interest payable	(18,738)	(26,299)
	<hr/>	<hr/>
Net operating income	-	-
Other income	44	49
Operating expenses	(44)	(47)
	<hr/>	<hr/>
Profit on ordinary activities before taxation	-	2
Taxation	-	-
	<hr/>	<hr/>
Profit on ordinary activities after taxation	-	2
Dividend	-	-
Retained profit brought forward	4	2
	<hr/>	<hr/>
Retained profit carried forward	<u>4</u>	<u>4</u>

**Holmes Financing (No. 2) PLC**  
**Balance Sheet**  
**Period ended 15 October 2002**

£'000

**Fixed asset investments**

Loans to Funding 1,641,058

**Current assets**

Sundry debtors 63  
Cash at bank 6  
69

**Creditors: Amounts falling due within one year**

Sundry creditors 51  
Taxation 1  
52

Net current assets 17

Total assets less current liabilities 1,641,075

**Creditors: Amounts falling due after more than one year**

Amounts due to noteholders 1,641,058

Net assets 17

**Capital and reserves**

Share capital 13  
Reserves 4  
17

**Holmes Financing (No. 2) PLC**  
**Notes Outstanding**  
**Period ended 15 October 2002**

	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A</b>	<b>Series 4 Class A</b>
Moody's current rating	Aaa	Aaa	Aaa	Aaa
S&P current rating	AAA	AAA	AAA	AAA
Fitch Ratings current rating	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	Aa3	Aa3	Aa3	Aa3
S&P current rating	AA	AA	AA	AA
Fitch Ratings current rating	AA	AA	AA	AA
	<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	Baa2	Baa2	Baa2	Baa2
S&P current rating	BBB	BBB	BBB	BBB
Fitch Ratings current rating	BBB	BBB	BBB	BBB
	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A</b>	<b>Series 4 Class A</b>
	\$	\$	£	€
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	500,000,000	500,000,000
Note redemptions	-	-	-	-
Outstanding note principal	-	1,000,000,000	500,000,000	500,000,000
	<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	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	(37,000,000)	-	-	-
Outstanding note principal	-	37,000,000	19,000,000	21,000,000
	<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	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	(49,000,000)	-	-	-
Outstanding note principal	-	49,000,000	25,000,000	35,000,000
	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A</b>	<b>Series 4 Class A</b>
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
	<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	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
	<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	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	15/01/2003			
Liquidity facility limit	£	25,000,000		
Liquidity facility drawn		Nil		
Liquidity facility available	£	25,000,000		

**Holmes Financing (No. 3) PLC**  
**Profit & Loss Account**  
**Period ended 15 October 2002**

	This Quarter £'000	Prior Quarter £'000
Interest receivable - Inter-company loan	23,464	23,682
Interest receivable - Cash deposits	-	-
	<hr/> 23,464	<hr/> 23,682
Interest payable - Notes	(23,464)	(23,682)
Interest payable	-	-
	<hr/> (23,464)	<hr/> (23,682)
Net operating income	<hr/> -	<hr/> -
Other income	45	42
Operating expenses	(45)	(42)
	<hr/> -	<hr/> -
Profit on ordinary activities before taxation	-	-
Taxation	-	-
	<hr/> -	<hr/> -
Profit on ordinary activities after taxation	-	-
Dividend	-	-
Retained profit brought forward	-	-
Retained profit carried forward	<hr/> <hr/> -	<hr/> <hr/> -

**Holmes Financing (No. 3) PLC**  
**Balance Sheet**  
**Period ended 15 October 2002**

	£'000
<b>Fixed asset investments</b>	
Loans to Funding	2,167,000
<b>Current assets</b>	
Sundry debtors	60
Cash at bank	6
	<u>66</u>
<b>Creditors: Amounts falling due within one year</b>	
Sundry creditors	53
	<u>53</u>
Net current assets	13
Total assets less current liabilities	<u>2,167,013</u>
<b>Creditors: Amounts falling due after more than one year</b>	
Amounts due to noteholders	(2,167,000)
Net assets	<u><u>13</u></u>
<b>Capital and reserves</b>	
Share capital	13
Reserves	-
	<u><u>13</u></u>

**Holmes Financing (No. 3) PLC**  
**Notes Outstanding**  
**Period ended 15 October 2002**

	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A</b>
Moody's current rating	Aaa	Aaa	Aaa
S&P current rating	AAA	AAA	AAA
Fitch Ratings current rating	AAA	AAA	AAA
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>
Moody's current rating	Aa3	Aa3	Aa3
S&P current rating	AA	AA	AA
Fitch Ratings current rating	AA	AA	AA
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>
Moody's current rating	Baa2	Baa2	Baa2
S&P current rating	BBB	BBB	BBB
Fitch Ratings current rating	BBB	BBB	BBB
	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A</b>
	\$	\$	€
Initial note balance	1,060,000,000	1,060,000,000	805,000,000
Previous quarter's note principal	1,060,000,000	1,060,000,000	805,000,000
Note redemptions	-	-	-
Outstanding note principal	1,060,000,000	1,060,000,000	805,000,000
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>
	\$	\$	€
Initial note balance	32,500,000	32,500,000	24,000,000
Previous quarter's note principal	32,500,000	32,500,000	24,000,000
Note redemptions	-	-	-
Outstanding note principal	32,500,000	32,500,000	24,000,000
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>
	\$	\$	€
Initial note balance	53,000,000	53,000,000	50,000,000
Previous quarter's note principal	53,000,000	53,000,000	50,000,000
Note redemptions	-	-	-
Outstanding note principal	53,000,000	53,000,000	50,000,000
	<b>Series 1 Class A</b>	<b>Series 2 Class A</b>	<b>Series 3 Class A</b>
Note interest margins	12	16	24
Step up dates	N/A	N/A	15/07/2006
Step up margins	N/A	N/A	48
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>
Note interest margins	35	40	40
Step up dates	15/07/2006	15/07/2006	15/07/2006
Step up margins	70	80	80
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>
Note interest margins	120	127	150
Step up dates	15/07/2006	15/07/2006	15/07/2006
Step up margins	220	227	250
Interest payment cycle	Quarterly		
Interest payment date	15th or next business day		
Next interest payment date	15/01/2003		
Liquidity facility limit	£	30,000,000	
Liquidity facility drawn		Nil	
Liquidity facility available	£	30,000,000	

**Holmes Financing (No. 4) PLC**  
**Profit & Loss Account**  
**Period ended 15 October 2002**

	<b>This Quarter</b>	<b>Prior Quarter</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable - Inter-company loan	30,460	30,723
Interest receivable - Cash deposits	-	-
	<u>30,460</u>	<u>30,723</u>
Interest payable - Notes	(30,460)	(30,723)
Interest payable	-	-
	<u>(30,460)</u>	<u>(30,723)</u>
Net operating income	-	-
Other income	45	42
Operating expenses	(45)	(42)
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. 4) PLC**  
**Balance Sheet**  
**Period ended 15 October 2002**

	£'000
<b>Fixed asset investments</b>	
Loans to Funding	2,717,000
<b>Current assets</b>	
Sundry debtors	54
Cash at bank	12
	<u>66</u>
<b>Creditors: Amounts falling due within one year</b>	
Sundry creditors	53
	<u>53</u>
Net current assets	13
Total assets less current liabilities	<u>2,717,013</u>
<b>Creditors: Amounts falling due after more than one year</b>	
Amounts due to noteholders	(2,717,000)
Net assets	<u><u>13</u></u>
<b>Capital and reserves</b>	
Share capital	13
Reserves	-
	<u><u>13</u></u>

**Holmes Financing (No. 4) PLC**  
**Notes Outstanding**  
**Period ended 15 October 2002**

	<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
S&P current rating	AAA	AAA	AAA	AAA	AAA
Fitch Ratings 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	Aa3	Aa3	Aa3		Aa3
S&P current rating	AA	AA	AA		AA
Fitch Ratings current rating	AA	AA	AA		AA
	<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	Baa2	Baa2	Baa2		Baa2
S&P current rating	BBB	BBB	BBB		BBB
Fitch Ratings current rating	BBB	BBB	BBB		BBB
			<b>Series 3 Class D1</b>	<b>Series 3 Class D2</b>	<b>Series 3 Class D3</b>
Moody's current rating			Ba2	Ba2	Ba2
S&P current rating			BB	BB	BB
Fitch Ratings current rating			BB	BB	BB
	<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>
	\$	€	£	\$	CHF
Initial note balance	1,050,000,000	800,000,000	550,000,000	410,000,000	850,000,000
Previous quarter's note principal	1,050,000,000	800,000,000	550,000,000	410,000,000	850,000,000
Note redemptions	-	-	-	-	-
Outstanding note principal	1,050,000,000	800,000,000	550,000,000	410,000,000	850,000,000
	<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	36,500,000	35,800,000	34,500,000		11,000,000
Previous quarter's note principal	36,500,000	35,800,000	34,500,000		11,000,000
Note redemptions	-	-	-		-
Outstanding note principal	36,500,000	35,800,000	34,500,000		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	54,500,000	53,800,000	49,500,000		19,000,000
Previous quarter's note principal	54,500,000	53,800,000	49,500,000		19,000,000
Note redemptions	-	-	-		-
Outstanding note principal	54,500,000	53,800,000	49,500,000		19,000,000
			<b>Series 3 Class D1</b>	<b>Series 3 Class D2</b>	<b>Series 3 Class D3</b>
			£	€	\$
Initial note balance			30,000,000	27,000,000	5,000,000
Previous quarter's note principal			30,000,000	27,000,000	5,000,000
Note redemptions			-	-	-
Outstanding note principal			30,000,000	27,000,000	5,000,000
	<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	19	N/A	23	23	N/A
Step up dates	15/07/2006	15/07/2006	15/07/2006	15/07/2006	15/10/2006
Step up margins	38	48	46	46	36
	<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	39	40	44		43
Step up dates	15/07/2006	15/07/2006	15/07/2006		15/10/2006
Step up margins	78	80	88		86
	<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	120	145	130		150
Step up dates	15/07/2006	15/07/2006	15/07/2006		15/10/2006
Step up margins	220	245	230		250
			<b>Series 3 Class D1</b>	<b>Series 3 Class D2</b>	<b>Series 3 Class D3</b>
Note interest margins			475	450	450
Step up dates			15/07/2006	15/07/2006	15/07/2006
Step up margins			575	550	550
Interest payment cycle	Quarterly				
Interest payment date	15th or next business day				
Next interest payment date	15/01/2003				
Liquidity facility limit	£	25,000,000			
Liquidity facility drawn		Nil			
Liquidity facility available	£	25,000,000			

**Holmes Financing (No. 5) PLC**  
**Profit & Loss Account**  
**Period ended 15 October 2002**

	<b>This Quarter</b>	<b>Prior Quarter</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable - Inter-company loan	23,232	27,080
Interest receivable - Cash deposits	-	-
	<u>23,232</u>	<u>27,080</u>
Interest payable - Notes	(23,232)	(27,080)
Interest payable	-	-
	<u>(23,232)</u>	<u>(27,080)</u>
Net operating income	-	-
Other income	45	42
Operating expenses	(45)	(42)
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. 5) PLC**  
**Balance Sheet**  
**Period ended 15 October 2002**

	£'000
<b>Fixed asset investments</b>	
Loans to Funding	1,775,000
<b>Current assets</b>	
Sundry debtors	39
Cash at bank	13
	<u>52</u>
<b>Creditors: Amounts falling due within one year</b>	
Sundry creditors	39
	<u>39</u>
Net current assets	13
Total assets less current liabilities	<u>1,775,013</u>
<b>Creditors: Amounts falling due after more than one year</b>	
Amounts due to noteholders	(1,775,000)
Net assets	<u><u>13</u></u>
<b>Capital and reserves</b>	
Share capital	13
Reserves	-
	<u><u>13</u></u>

**Holmes Financing (No. 5) PLC**  
**Notes Outstanding**  
**Period ended 15 October 2002**

	<b>Series 1 Class A</b>	<b>Series 2 Class A1</b>	<b>Series 3 Class A1</b>
Moody's current rating	P-1	Aaa	Aaa
S&P current rating	A-1+	AAA	AAA
Fitch Ratings current rating	F1+	AAA	AAA
		<b>Series 2 Class A2</b>	<b>Series 3 Class A2</b>
Moody's current rating		Aaa	Aaa
S&P current rating		AAA	AAA
Fitch Ratings current rating		AAA	AAA
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>
Moody's current rating	Aa3	Aa3	Aa3
S&P current rating	AA	AA	AA
Fitch Ratings current rating	AA	AA	AA
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>
Moody's current rating	Baa2	Baa2	Baa2
S&P current rating	BBB	BBB	BBB
Fitch Ratings current rating	BBB	BBB	BBB
	<b>Series 1 Class A</b>	<b>Series 2 Class A1</b>	<b>Series 3 Class A1</b>
	\$	\$	€
Initial note balance	1,000,000,000	750,000,000	600,000,000
Previous quarter's note principal	500,000,000	750,000,000	600,000,000
Note redemptions	(500,000,000)	-	-
Outstanding note principal	-	750,000,000	600,000,000
		<b>Series 2 Class A1</b>	<b>Series 3 Class A2</b>
		CHF	£
Initial note balance		400,000,000	500,000,000
Previous quarter's note principal		400,000,000	500,000,000
Note redemptions		-	-
Outstanding note principal		400,000,000	500,000,000
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>
	\$	\$	€
Initial note balance	35,000,000	35,000,000	53,000,000
Previous quarter's note principal	35,000,000	35,000,000	53,000,000
Note redemptions	-	-	-
Outstanding note principal	35,000,000	35,000,000	53,000,000
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>
	\$	\$	€
Initial note balance	52,000,000	52,000,000	76,000,000
Previous quarter's note principal	52,000,000	52,000,000	76,000,000
Note redemptions	-	-	-
Outstanding note principal	52,000,000	52,000,000	76,000,000
	<b>Series 1 Class A</b>	<b>Series 2 Class A1</b>	<b>Series 3 Class A1</b>
Note interest margins	1	20	N/A
Step up dates	15/10/2006	15/10/2006	15/10/2006
Step up margins	N/A	N/A	42
		<b>Series 2 Class A2</b>	<b>Series 3 Class A2</b>
Note interest margins		N/A	23
Step up dates		15/10/2004	15/10/2006
Step up margins		22	46
	<b>Series 1 Class B</b>	<b>Series 2 Class B</b>	<b>Series 3 Class B</b>
Note interest margins	35	43	40
Step up dates	15/10/2006	15/10/2006	15/10/2006
Step up margins	70	86	80
	<b>Series 1 Class C</b>	<b>Series 2 Class C</b>	<b>Series 3 Class C</b>
Note interest margins	135	145	147
Step up dates	15/10/2006	15/10/2006	15/10/2006
Step up margins	235	245	247
Interest payment cycle	Quarterly		
Interest payment date	15th or next business day		
Next interest payment date	15/01/2003		
Liquidity facility limit	£	45,000,000	
Liquidity facility drawn		Nil	
Liquidity facility available	£	45,000,000	

**Holmes Trustees Limited**  
**Profit & Loss Account**  
**Period ended 15 October 2002**

	This Quarter £'000	Prior Quarter £'000
Interest receivable - Mortgages	255,177	262,046
Interest receivable - Cash Deposits	3,123	2,980
	<u>258,300</u>	<u>265,026</u>
Interest payable - Mortgages	(255,177)	(262,046)
Interest payable - Cash Deposits	(3,123)	(2,980)
	<u>(258,300)</u>	<u>(265,026)</u>
Net operating income	<u>-</u>	<u>-</u>
Fees receivable	3,169	3,109
Fees payable	(3,169)	(3,109)
Operating expenses	(3,318)	(3,659)
Provision charges	32	(1,631)
Other income	3,286	5,290
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 15 October 2002**

**£'000**

**Fixed asset investments**

Mortgage loans secured on residential property 18,519,449

**Current assets**

Bank interest receivable	603
Cash at bank	160,584
Other debtors	8,957
Amounts due from Funding	47,259
	<u>217,403</u>

**Creditors: Amounts falling due within one year**

Amounts due to Seller	(217,377)
Sundry creditors	(26)
	<u>(217,403)</u>

Net current assets -

Total assets less current liabilities 18,519,449

**Creditors: Amounts falling after more than one year**

Seller share of mortgage loans	(8,017,916)
Funding share of mortgage loans	(10,501,533)

Net assets -

**Capital and reserves**

Share capital (£2)	0
Reserves	0
	<u>0</u>

**Holmes Funding Limited**  
**Profit & Loss Account**  
**Period ended 15 October 2002**

	This Quarter £'000	Prior Quarter £'000
Interest receivable - Mortgages	128,128	145,262
Interest receivable - Cash Deposits	5,335	9,719
	<u>133,463</u>	<u>154,981</u>
Interest payable - Inter-company loans	(120,641)	(132,756)
Interest payable - Start up loans	(662)	(656)
	<u>(121,303)</u>	<u>(133,412)</u>
Net operating income	<u>12,160</u>	<u>21,569</u>
Other income	3,630	3,926
Operating expenses	(5,005)	(6,111)
Deferred consideration	(10,742)	(20,592)
Profit/(loss) on ordinary activities before taxation	<u>43</u>	<u>(1,209)</u>
Taxation	(4)	(7)
Profit/(loss) on ordinary activities after taxation	<u>39</u>	<u>(1,216)</u>
Dividend	-	-
Retained profit/(loss) brought forward	(4,079)	(2,862)
Retained profit/(loss) carried forward	<u><u>(4,040)</u></u>	<u><u>(4,079)</u></u>

**Holmes Funding Limited**  
**Balance Sheet**  
**Period ended 15 October 2002**

£'000

**Fixed asset investments**

Beneficial interest in Trust mortgage portfolio 10,501,533

**Current assets**

Deferred expenditure (costs of securing) 23,383

Cash at bank:

Reserve funding 185,000

Transaction account 2,148

Funding GIC account 57,992

268,523

**Creditors: Amounts falling due within one year**

Deferred consideration creditor 108,573

Interest payable accrual 4,908

Amounts due to Trustee 47,259

Sundry creditors 932

Taxation 16

161,688

Net current assets 106,835

Total assets less current liabilities 10,608,368

**Creditors: Amounts falling due after more than one year**

Inter-company loans (10,556,058)

Start up loans (56,350)

Net assets (4,040)

**Capital and reserves**

Share capital (£2) -

Reserves (4,040)

(4,040)

**Holmes Funding Limited**  
**First Issuer Notes to Balance Sheet**  
**Period ended 15 October 2002**

£'000

**Balance on cash accumulation ledger**

Nil

**Available credit enhancement**

First reserve fund at closing 185,000

Initial closing first reserve funds 185,000

Drawings to make bullet repayment -

Other drawings -

Transfers from revenue receipts -

Closing first reserve balance 185,000

Target first reserve funds 185,000

**Principal deficiency ledger**

AAA

AA

BBB

Opening PDL balance Nil Nil Nil

Losses this quarter - - -

PDL top up from revenue income - - -

Closing PDL balance Nil Nil Nil

**Start up loan outstanding**

Initial balance 56,350

Initial closing outstanding 13,000

Second start up loan 13,250

Third start up loan 17,500

Fourth start up loan 7,500

Fifth start up loan 5,100

Accrued interest 4,908

Repayments made -

Closing balance 61,258

**Funding Liquidity facility**

Liquidity facility limit 25,000

Liquidity facility drawn -

Liquidity facility available 25,000