
Granite Finance Holdings Limited
Accounts as at 31 December 2006

Registered Number 4127787



Granite Finance Holdings Limited

Accounts as at 31 December 2006

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Balance sheet as at 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed Assets			
Investment in subsidiary undertakings	1	138	138
Net assets		138	138
Capital and reserves			
Called up share capital	2	138	138
Equity shareholders' funds		138	138

For the year ended 31 December 2006 the company was entitled to exemption under section 249 AA (1) of the Companies Act 1985 and hence a profit and loss account has not been presented.

Members have not required the company to obtain an audit in accordance with S249 B (2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 221; and
- (ii) preparing accounts 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 its profit or loss for the financial year, in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The balance sheet was approved by the board of directors on 14 February 2007 and was signed on behalf of the Board of Directors by:



Director

Granite Finance Holdings Limited

Accounting policies

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRIC interpretations that, under European Regulations, are effective or available for early adoption at the Company’s first reporting date under IFRS, 31 December 2005, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

In the previous year the financial statements comprised the consolidated accounts of the Company and its subsidiary undertakings, all of which have accounting periods ending 31 December. As of 1 January 2005, under the requirements of “IFRS”, the accounts of the Company and its subsidiary undertakings are consolidated with the financial accounts of Northern Rock plc, the controlling party. As the Company has had no significant accounting transactions during the financial year and is no longer required to produce consolidated accounts, dormant accounts have been prepared for the Company.

Granite Finance Holdings Limited

Notes to the balance sheet as at 31 December 2006

1. Investment in subsidiary undertakings

	2006 £'000	2005 £'000
Cost:		
At 31 December and 1 January	138	138

The subsidiary undertakings of the Company are as follows:

Name of company	Country of registration and operation	Country of incorporation	Activity	Proportion of ordinary shares held %
Granite Finance Trustees Limited	Jersey, Channel Islands	Jersey, Channel Islands	Trustee for mortgage portfolio	100
Granite Finance Funding Limited	Jersey, Channel Islands	England and Wales	Finance of mortgage portfolio	100
Granite Finance Funding 2 Limited	England and Wales	England and Wales	Finance of mortgage portfolio	100

Granite Mortgages 01-1 plc, Granite Mortgages 01-2 plc, Granite Mortgages 02-1 plc, Granite Mortgages 02-2 plc, Granite Mortgages 03-1 plc, Granite Mortgages 03-2 plc, Granite Mortgages 03-3 plc, Granite Mortgages 04-1 plc, Granite Mortgages 04-2 plc and Granite Mortgages 04-3 plc all of which are registered and incorporated in England and Wales, are all wholly owned subsidiaries of Granite Finance Funding Limited. Granite Master Issuer plc which is registered and incorporated in England and Wales is a wholly owned subsidiary of Granite Finance Funding 2 Limited. The principal activity of each of these entities is the investment of the proceeds of the issue of asset backed loan notes, which have been invested in an inter-company loan.

Granite Finance Holdings Limited

Notes to the balance sheet as at 31 December 2006

2. Called up share capital

	2006	2005
	£'000	£'000
Authorised:		
150,018 Ordinary shares of £1 each	150	150
Called up and allotted share capital		
137,518 Ordinary shares of £1 each	138	138

3. Ultimate parent and controlling party

The Company's ultimate parent is The Law Debenture Intermediary Corporation plc, a company registered in England and Wales, the shares being held under a trust arrangement. Copies of the financial statements for The Law Debenture Intermediary Corporation plc may be obtained from Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London, EC2V 7EX.

The Company's ultimate controlling party is Northern Rock plc. Although Northern Rock plc does not own directly or indirectly through subsidiaries more than half of the voting power, the Company is obliged to follow the policies and procedures prescribed by Northern Rock plc.

Accordingly, the Company's results are included within the consolidated financial statements of Northern Rock plc. Copies of the financial statements of Northern Rock plc may be obtained from Northern Rock House, Gosforth, Newcastle upon Tyne, NE3 4PL

4. Auditors

Although, as noted on the face of the balance sheet, the members have not required the company to obtain an audit in accordance with S249 B (2) of the Companies Act 1985, PricewaterhouseCoopers have previously been appointed as auditors to the company. A special resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting, although it remains the current intention of the members not to require the company to obtain an audit.