

# United Dominions Leasing Limited

## Report and Accounts 2001

Registered office

71 Lombard Street  
London EC3P 3BS

Registered number

824614

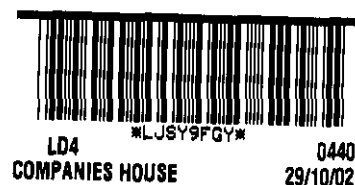
Directors

J L Davies (Chairman)  
M P Kilbee  
D K Potts

Company Secretary

R A Connor

Member of Lloyds TSB Group



# Report of the directors

## Principal activity

The principal activity of the Company is leasing.

## Results

The profit after taxation for the year ended 31 December 2001 amounted to £697,182 (2000: £33,027) as set out in the profit and loss account on page 4.

## Directors

The names of the present directors of the Company, all of whom held office throughout the year, are shown on page 1.

Reference is made on page 6 in note 2 to the interests of the directors in the share capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries.

## Policy and practice on payment of creditors

The Company follows "The Better Payment Practice Code" published by the Department of Trade and Industry, regarding payments to suppliers. A copy of the code and information about it may be obtained from the Department of Trade and Industry, No 1 Victoria Street, London SW1H 0ET.

The Company's policy is to agree terms of payment with suppliers and these normally provide for settlement within 30 days after the date of the invoice, except where other arrangements have been negotiated. It is the policy of the Company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract.

As the Company owed no amounts to trade creditors as at 31 December 2001, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 1985, is nil.

On behalf of the board



M P Kilbee  
Director

28 October 2002

# Report of the independent auditors to the members of United Dominions Leasing Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and related notes which have been prepared under the accounting policies set out on page 6.

## Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report including, as described below, the financial statements. The United Kingdom Companies Act 1985 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit or loss for that year. 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; and
- 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 accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Our responsibilities, as independent auditors, are established in the United Kingdom by statute, and the Auditing Standards issued by the Auditing Practices Board.

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 United Kingdom 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 is not disclosed.

We read the directors' report contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

## 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 affairs of the Company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors

One Kingsway  
Cardiff  
CF10 3PW  
28 October 2002

## Profit and loss account

31 December 2001

	Note	2001 £	2000 £
Turnover	4	9,325,669	16,321,996
Interest payable	5	(5,103,599)	(6,891,053)
		<b>4,222,070</b>	9,430,943
Other operating charges		<b>(3,232,210)</b>	(9,412,843)
Profit on ordinary activities before taxation	4	<b>989,860</b>	18,100
Taxation on profit on ordinary activities – (charge)/credit	6	<b>(292,678)</b>	14,927
Retained profit for the financial year	12	<b>697,182</b>	33,027

The above results relate to continuing operations.

The Company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before tax and the profit for the year stated above and their historical cost equivalents.

The notes on pages 6 to 10 form part of these financial statements.

# Balance sheet

31 December 2001

	Notes	2001 £	2000 £
<b>Fixed assets</b>			
Operating lease assets	7	18,242,509	51,821,293
<b>Current assets</b>			
Debtors: due within one year	8	29,396,005	38,113,461
due after more than one year	8	55,343,087	61,380,920
		84,739,092	99,494,381
Creditors: amounts falling due within one year	9	(95,288,680)	(147,085,156)
Net current liabilities		(10,549,588)	(47,590,775)
Total assets less current liabilities		7,692,921	4,230,518
Provisions for liabilities and charges	10	(6,876,221)	(4,111,000)
<b>Net assets</b>		816,700	119,518
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	816,600	119,418
<b>Equity shareholder's funds</b>	13	816,700	119,518

The notes on pages 6 to 10 form part of these financial statements.



Director

# Notes to the accounts

31 December 2001

## 1. Principal accounting policies

Accounting policies are unchanged from 2000, except that during the year the Company has implemented the requirements of Financial Reporting Standard 18 "Accounting Policies"; the effect has not been significant.

### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

### Cash flow statement

As permitted by Financial Reporting Standard 1 (revised) "Cash Flow Statements", no cash flow statement is presented in these accounts, as the Company is a wholly owned subsidiary of Lloyds TSB Group plc which presents such a statement in its own accounts.

### Income recognition

Income from instalment credit transactions and finance leases is credited to the profit and loss account in proportion to the funds invested so as to give a constant rate of return over each period. Income from operating leases is credited to the profit and loss account on a rentals receivables basis.

### Commissions

Commission payable on new business is allocated to accounting periods over the life of agreements to produce a constant rate of charge on the outstanding balance. Commissions receivable are credited to the profit and loss account when earned.

### Provisions for bad and doubtful debts

Loans and advances are written-off where there is no realistic prospect of recovery. Specific provisions are made to reduce all impaired loans and advances to their estimated realisable values.

### Depreciation

Assets leased under operating leases to customers are depreciated over the lease term down to their anticipated realisable value at the termination of each agreement to give a constant rate of return on the net investment.. Anticipated realisable values are reassessed when appropriate, any permanent diminution in value being charged immediately to the profit and loss account.

### Deferred taxation

Deferred taxation is provided at appropriate rates of corporation tax in respect of timing differences where there is reasonable probability that such taxation will become payable or receivable in the foreseeable future.

### Related party transactions

Advantage has been taken of the exemption available under Financial Reporting Standard 8 "Related Party Disclosures" not to disclose details of transactions with companies within the Lloyds TSB group, as the consolidated accounts of Lloyds TSB Group plc, in which the Company is included, are publicly available.

# Notes to the accounts

31 December 2001

## 2. Directors' interests

The interests of the only director of the Company who was not also a director of Lloyds TSB Asset Finance Division Limited in the capital of Lloyds TSB Group plc were:

Ordinary shares of 25p each

	At 31 December 2001	At 1 January 2001
M P Kilbee	31,288	30,698

Options to subscribe for ordinary shares of 25p each

	At 1 January 2001	Granted during the year	At 31 December 2001
M P Kilbee	23,061	4,427	27,488

Mr Kilbee had no other interest in the capital of Lloyds TSB Group plc or its subsidiaries.

## 3. Directors and staff

The Company did not directly employ any persons during the year (2000: none), accounting and administrative services being provided by Black Horse Limited, a fellow subsidiary undertaking.

No remuneration was paid or is payable by the Company to the directors (2000: £nil). The directors are employed by other companies in the Lloyds TSB group and consider that their services to this Company are incidental to their other activities within the group.

## 4. Profit on ordinary activities before taxation

The profit before taxation is arrived at after taking into account the following items:

	2001 £	2000 £
<b>Turnover</b>		
Interest receivable from finance leases	5,603,218	9,541,032
Rentals receivable from operating leases	3,722,451	6,780,964
<b>Charges</b>		
Depreciation of operating lease assets	2,530,991	6,697,993
Loss on sale of operating lease assets	26,856	778,967

Auditors' remuneration has been borne by the parent company.

## 5. Interest payable

	2001 £	2000 £
On loans from group undertakings	5,103,599	6,891,053

# Notes to the accounts

31 December 2001

## 6. Taxation

	2001 £	2000 £
Current year:		
Corporation tax at 30% (2000: 30%) - credit	(1,528,543)	(2,700,785)
Deferred taxation	1,821,221	2,705,000
	<b>292,678</b>	<b>4,215</b>
Adjustments for previous years:		
Group relief	-	(603,453)
Corporation tax	-	584,311
	<b>292,678</b>	<b>(14,927)</b>

## 7. Operating lease assets

	£
<b>Cost</b>	
At 1 January 2001	60,948,251
Transfers to group undertakings	(38,255,264)
Disposals	(590,428)
At 31 December 2001	22,102,559
<b>Depreciation</b>	
At 1 January 2001	9,126,958
Charge for year	2,530,991
Transfers to group undertakings	(7,496,232)
Disposals	(301,667)
At 31 December 2001	3,860,050
<b>Net book value</b>	
At 31 December 2001	18,242,509
At 31 December 2000	51,821,293

## 8. Debtors

	2001 Due within one year £	2001 Due after more than one year £	2000 Due within one year £	2000 Due after more than one year £
Loans and advances to customers less provisions	25,579,691	55,343,087	27,063,198	61,380,920
Other debtors	2,126,415	-	8,349,478	-
Corporation tax	1,689,899	-	2,700,785	-
	<b>29,396,005</b>	<b>55,343,087</b>	<b>38,113,461</b>	<b>61,380,920</b>



## Notes to the accounts

31 December 2001

### 9. Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts due to group undertakings	94,160,455	144,424,105
Trade creditors	-	1,277,716
Other creditors	1,128,225	1,383,335
	<b>95,288,680</b>	<b>147,085,156</b>

### 10. Provision for liabilities and charges

	£
Deferred Taxation:	
Balance at 31 December 2000	4,111,000
Transferred to other group companies	(91,000)
Transferred from other group companies	1,035,000
Transfer from profit and loss account	1,821,221
Balance at 31 December 2001	<b>6,876,221</b>

The amounts provided at 31 December 2001 and 31 December 2000 were the full potential liabilities and were attributable to accelerated capital allowances.

### 11. Called up share capital

	2001 £	2000 £
Authorised		
100 Ordinary shares of £1 each	<b>100</b>	<b>100</b>
Issued, called up and fully paid		
100 Ordinary shares of £1 each	<b>100</b>	<b>100</b>

The company regarded by the directors as the ultimate parent company is Lloyds TSB Group plc, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member. Lloyds TSB Asset Finance Division Limited is the parent undertaking of the smallest such group of undertakings. Copies of the group accounts of both may be obtained from the Company's Secretary's Office, Lloyds TSB Group plc, 71 Lombard Street, London, EC3P 3BS.

### 12. Profit and loss account

	£
At 1 January 2001	119,418
Retained profit for the financial year	697,182
At 31 December 2001	<b>816,600</b>

## Notes to the accounts

31 December 2001

### 13. Reconciliation of movements in equity shareholders' funds

	2001 £	2000 £
Profit for the financial year	697,182	33,027
Net increase/(decrease) in shareholders' funds	697,182	33,027
Opening equity shareholders' funds	119,518	86,491
Closing equity shareholders' funds	816,700	119,518

### 14. Other liabilities

There were no contracted capital commitments or contingencies at the balance sheet dated (2000: £nil).

### 15. Date of approval

The directors approved the accounts on 23 October 2002.