

UNITED DOMINIONS LEASING LIMITED

**REPORT AND ACCOUNTS
31 DECEMBER 2000**

Registered office

71 Lombard Street
London EC3P 3BS

Registered number

824614

Directors

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

Company Secretary

R A Connor



Member of Lloyds TSB Group

UNITED DOMINIONS LEASING LIMITED

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 2000 amounted to £33,027 as set out in the profit and loss account on page 4.

Directors

The names of the present directors of the company are shown on page 1.

The following changes in directors have taken place during the year:

	Appointed	Resigned
J M Bury		14.04.2000
J L Davies	01.01.2000	
D K Potts	04.05.2000	

The interests of the only director of the company at the end of the year who was not also a director of Lloyds TSB Asset Finance Division Limited (formerly Lloyds UDT Finance Limited) in the capital of Lloyds TSB Group plc were:

Shares:

	At 31 December 2000	At 1 January 1999 (or later date of appointment)
M. P. Kilbee	30,698	30,077

Options to acquire shares:

	At 1 January 2000 (or later date of appointment)	During the year Granted	Exercised	At 31 December 2000
M. P. Kilbee	16,146	6,915	-	23,061

Mr Kilbee did not have any other interest in the capital of Lloyds TSB Group plc or its subsidiaries.

On behalf of the board



R A Connor
Company Secretary

23 October 2001

UNITED DOMINIONS LEASING LIMITED

Statement of Directors' responsibilities in respect of the Accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit of the company for that year. In preparing those accounts, 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 accounts; and
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

Report of the Auditors To the member of United Dominions Leasing Limited

We have audited the accounts on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described above, this includes responsibility for preparing the accounts, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

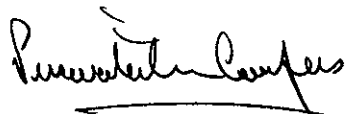
Basis of audit opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 2000 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
Erskine House
68-73 Queen Street
EDINBURGH EH2 4NH
23 October 2001

UNITED DOMINIONS LEASING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	16,321,996	10,955,137
OTHER OPERATING CHARGES		(9,412,843)	(5,650,950)
INTEREST PAYABLE	3	(6,891,053)	(4,636,809)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	18,100	667,378
TAXATION ON PROFIT ON ORDINARY ACTIVITIES - CREDIT	5	14,927	(189,338)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		33,027	478,040
DIVIDENDS		-	(400,000)
		33,027	78,040
RETAINED PROFIT BROUGHT FORWARD		86,391	8,351
RETAINED PROFIT CARRIED FORWARD		119,418	86,391

There are no recognised gains and losses other than the profit for the year and all operations are continuing.

The notes on pages 6 to 9 form part of these accounts.

UNITED DOMINIONS LEASING LIMITED

BALANCE SHEET

AT 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
FIXED ASSETS			
Operating lease assets	6	51,821,293	33,065,628
CURRENT ASSETS			
Debtors: due within one year	7	43,344,236	39,699,282
due after more than one year	7	69,875,652	61,965,937
		<hr/>	<hr/>
		113,219,888	101,665,219
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(147,085,156)	(122,013,242)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(33,865,268)	(20,348,023)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,956,025	12,717,605
PROVISIONS FOR LIABILITIES AND CHARGES	9	(4,111,000)	(1,406,000)
ACCRUALS AND DEFERRED INCOME	10	(13,725,507)	(11,225,114)
		<hr/>	<hr/>
NET ASSETS		119,518	86,491
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	11	100	100
PROFIT AND LOSS ACCOUNT		119,418	86,391
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		119,518	86,491
		<hr/> <hr/>	<hr/> <hr/>

D. K. POTTS
Director

The notes on pages 6 to 9 form part of these accounts.

UNITED DOMINIONS LEASING LIMITED
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting Convention:

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with Financial Reporting Standard 1 is included in the accounts of its ultimate holding company, Lloyds TSB Group plc.

The company is exempt from reporting intra-group related party transactions in accordance with Financial Reporting Standard 8 because it is wholly owned by Lloyds TSB Asset Finance Division Limited (formerly Lloyds UDT Finance Limited).

(b) Income Recognition:

Leasing income is credited to the profit and loss account over the period of investment in proportion to the level of net funds invested.

(c) Depreciation of Operating Lease Assets:

Depreciation of operating lease assets is calculated so as to give a release of net income from these assets to the profit and loss account over the period of investment in the assets in proportion to the level of net funds invested.

(d) Deferred Taxation:

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

2. TURNOVER

Turnover represents the amount of leasing income earned under instalment finance arrangements and operating leases.

During the year aggregate rentals receivable were:

	<u>2000</u> £	<u>1999</u> £
From finance lease contracts	22,573,291	24,629,815
From operating lease contracts	10,858,636	5,472,780
	<u> </u>	<u> </u>

The cost of assets acquired during the year under finance lease contracts was £43,461,871 (1999: £48,799,446).

3. INTEREST PAYABLE

	<u>2000</u> £	<u>1999</u> £
On loan from group companies	6,891,053	4,636,809
	<u> </u>	<u> </u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The following have been taken into account in arriving at the profit:

Directors' emoluments	-	-
	<u> </u>	<u> </u>
Bad and doubtful debts charge	850,618	910,667
	<u> </u>	<u> </u>
Depreciation of operating lease assets	6,697,993	3,604,300
	<u> </u>	<u> </u>
Loss on disposal of operating lease assets	778,967	217,502
	<u> </u>	<u> </u>

UNITED DOMINIONS LEASING LIMITED
NOTES TO THE ACCOUNTS

No remuneration was paid or is payable by the company to the directors. The directors are employed by other companies in the Lloyds TSB Asset Finance Division group and consider that their services to this company are incidental to their other activities within the group. Other operating charges include a management fee payable to the immediate parent company. Auditors' remuneration has been borne by the parent company.

5. TAXATION

	<u>2000</u> £	<u>1999</u> £
Current year:		
Corporation tax payable at 30% (1999; 30.25%)	(2,700,785)	(584,312)
Transfer to deferred taxation	2,705,000	774,000
	<hr/>	<hr/>
	4,215	189,688
Previous year adjustments:		
Group relief	(603,453)	82
Corporation Tax	584,311	(2,432)
Deferred Tax	-	2,000
	<hr/>	<hr/>
	<u>(14,927)</u>	<u>189,338</u>

6. OPERATING LEASE ASSETS

	£
Cost:	
At 31st December 1999	36,999,891
Additions	28,725,104
Disposals	(4,776,744)
	<hr/>
At 31st December 2000	60,948,251
	<hr/>
Depreciation:	
At 31st December 1999	3,934,263
Charge for year	6,697,993
Disposals	(1,505,298)
	<hr/>
At 31st December 2000	9,126,958
	<hr/>
Net book value at 31st December 2000	<u>51,821,293</u>
Net book value at 31st December 1999	<u>33,065,628</u>

UNITED DOMINIONS LEASING LIMITED
NOTES TO THE ACCOUNTS

7. DEBTORS	<u>2000</u>		<u>1999</u>	
	Due within one year £	Due after more than one year £	Due within one year £	Due after more than one year £
Trade debtors:				
Rentals receivable under leasing contracts, less provisions	32,293,973	69,875,652	31,222,022	61,965,937
Other debtors	8,349,478	-	7,890,536	-
Corporation Tax	2,700,785	-	586,744	-
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	43,344,236	69,875,652	39,699,282	61,965,937
	<hr/>	<hr/>	<hr/>	<hr/>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2000</u> £	<u>1999</u> £
Amounts owed to parent and fellow subsidiary companies	144,424,105	118,892,899
Trade creditors	1,277,716	1,086,945
Dividend payable	-	400,000
Other creditors	1,383,335	1,633,398
	<hr/>	<hr/>
	147,085,156	122,013,242
	<hr/>	<hr/>

9. PROVISIONS FOR LIABILITIES AND CHARGES	£
Deferred Taxation	
Balance at 31st December 1999	1,406,000
Transfer from profit and loss account	2,705,000
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Balance at 31st December 2000	4,111,000
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The amounts provided at 31st December 2000 and 1999 were the full potential liabilities and were attributable to accelerated capital allowances.

10. ACCRUALS AND DEFERRED INCOME	<u>2000</u> £	<u>1999</u> £
Unearned leasing income	13,725,507	11,225,114
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UNITED DOMINIONS LEASING LIMITED
NOTES TO THE ACCOUNTS

	<u>2000</u>	<u>1999</u>
	£	£
11. CALLED UP SHARE CAPITAL		
Authorised, issued, and fully paid:		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

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 (formerly Lloyds UDT Finance 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 Secretary's Office, Lloyds TSB Group plc, 71 Lombard Street, London, EC3P 3BS.

12. SUBSEQUENT EVENTS

On 28 February 2001 United Dominions Leasing Limited sold certain contract hire assets at book value to other group companies for the consideration of £2.6m. This was done as part of the integration of Lloyds UDT and Chartered Trust to consolidate the contract hire businesses within certain group statutory entities.

13. DATE OF APPROVAL

The directors approved the accounts on 23 October 2001.