

**TSB FINANCIAL SERVICES LIMITED**

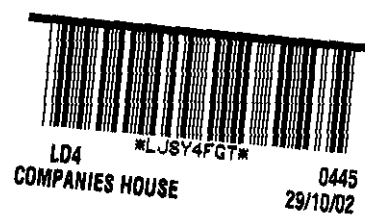
**ANNUAL REPORT AND ACCOUNTS 2001**

Registered number 2079683

Registered office  
Charlton Place  
Andover  
Hampshire SP10 1RE

Directors  
I D Thompson  
C Cameron

Company Secretary  
S N O'Connor



Member of Lloyds TSB Group

## DIRECTORS' REPORT

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### Principal activity

The company has ceased trading and the only activity of the company has been the receipt of bank interest.

### Results

The profit after taxation for the year ended 31 December 2001 was £4,000 (2000: £4,000) as set out in the profit and loss account on page 4.

### Directors

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

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

I D Thompson	appointed 3 August 2001
C Cameron	appointed 3 August 2001

The previous directors, C M Wiscarson resigned on 3<sup>rd</sup> March 2000 and R J Spragg resigned on 31<sup>st</sup> December 2000.

Reference is made on page 8 in note 10 to the interests of the directors in the 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 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,



I D Thompson  
Director

22 October 2002

**AUDITORS' REPORT TO THE SHAREHOLDER OF TSB FINANCIAL SERVICES LIMITED**

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

**Respective responsibilities of directors and auditor**

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 and of the profit or loss of the company 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;
- 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 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 financial statements comply with the Companies Act 1985. They are 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 misstatement or material inconsistencies with the financial statements.

**Basis of 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 the information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs 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*

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Southampton

*22 October* 2002

TSB FINANCIAL SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT**  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2001

NOTE

		2001 £000	2000 £000
	<b>Turnover</b>	-	-
	<b>Cost of sales</b>	-	-
	<b>Gross profit</b>	-	-
3	Administrative expenses	(2)	(2)
4	Interest receivable	7	8
	<b>Profit on ordinary activities before taxation</b>	5	6
5	Tax on profit on ordinary activities	(1)	(2)
	<b>Profit on ordinary activities after taxation</b>	4	4
	<b>Balance brought forward</b>	30	26
	<b>Balance carried forward</b>	34	30

The notes on pages 6 to 8 form part of these accounts.

The company had no recognised gains and losses other than those reflected in the profit and loss account. There is no difference between the reported profit for the financial year as stated above and those that would be reported under the historical cost basis.

There were no discontinued activities during the year.

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**BALANCE SHEET**

AT 31<sup>st</sup> DECEMBER 2001

NOTE		2001 £000	2000 £000
	<b>Current assets</b>		
6	Debtors	2	1
7	Cash at bank	160	153
		<u>162</u>	<u>154</u>
8	Creditors: amounts falling due within one year	(8)	(4)
	<b>Net assets</b>	<u>154</u>	<u>150</u>
	<b>Capital and reserves</b>		
9	Called up share capital	120	120
	Profit and loss account	34	30
11	<b>Equity shareholder's funds</b>	<u>154</u>	<u>150</u>

The notes on pages 6 to 8 form part of these accounts.



C Cameron - Director

# TSB FINANCIAL SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### NOTE 1

#### Accounting policies

#### Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

During the year the company has adopted Financial Reporting Standard 18 'Accounting Policies'; the effect has not been significant.

#### Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### NOTE 2

#### Cash flow statement and related party transactions

The company is a wholly owned subsidiary of Lloyds TSB Group plc and is included in the consolidated accounts of Lloyds TSB Group plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of Lloyds TSB Group plc or investors of the Lloyds TSB Group plc.

### NOTE 3

#### Administrative expenses

The company does not directly employ any staff. Auditor's remuneration of £2,000 (2000: £2,000) is included in administrative expenses. No remuneration was paid or is payable by the company to the directors. 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.

### NOTE 4

#### Interest receivable

Interest receivable of £7,000 (2000: £8,000) is derived from group undertakings.

### NOTE 5

#### Taxation

2001	2000
£000	£000

Tax based on the profit/loss for the period comprises:

Group relief payable at 30.00% (2000: 30.00%)	1	2
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TSB FINANCIAL SERVICES LIMITED

**NOTES TO THE ACCOUNTS (Continued)**

**NOTE 6**

**Debtors**

	2001	2000
	£000	£000
Amounts falling due within one year:		
Other debtors	2	1

**NOTE 7**

**Cash at bank**

Cash at bank and in hand comprises amounts which are placed at commercial rates of interest with Lloyds TSB Bank plc, a parent company.

**NOTE 8**

**Creditors**

	2001	2000
	£000	£000
Amounts falling due within one year:		
Group relief payable	1	2
Accruals and deferred income	7	2
	8	4

**NOTE 9**

**Share capital**

	2001	2000
	£000	£000
Authorised, allotted, called up and fully paid ordinary shares of £1 each	120	120

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 Bank plc 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.

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**NOTES TO THE ACCOUNTS (Continued)**

**NOTE 10**

**Directors' interests**

The interests of Mr. I D Thompson and Mr C Cameron, the directors of the company at the end of the year, in the capital of Lloyds TSB Group plc were:

**Shares:**

	At 31 December 2001	At date of appointment
I D Thompson	10,921	10,921
C Cameron	9,318	12,568

**Options to acquire shares:**

	At date of appointment	During the year		At 31 December 2001
		Granted	Exercised	
I D Thompson	47,486	16,820	-	64,306
C Cameron	7,733	-	-	7,733

**NOTE 11**

**Movement in shareholder's funds**

	2001 £000	2000 £000
Profit for the financial year	4	4
Increase in shareholder's funds in the year	4	4
Opening shareholder's funds	150	146
Closing shareholder's funds	154	150

**NOTE 12**

**Date of approval**

The directors approved the accounts on 22 October 2002.