

LLOYDS UDT BUSINESS EQUIPMENT LIMITED

REPORT AND ACCOUNTS 2000

Registered office

71 Lombard Street
London EC3P 3BS

Registered number

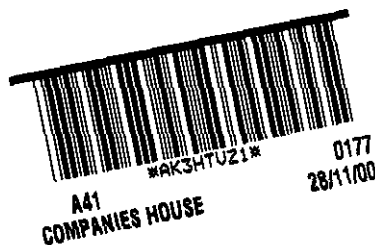
2129340

Directors

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

Company Secretary

S O'Connor



Member of Lloyds TSB Group

LLOYDS UDT BUSINESS EQUIPMENT LIMITED

REPORT OF THE DIRECTORS

Principal activity

The principal activity of the company is leasing.

Result and dividend

The profit after taxation for the year ended 31 January 2000 amounted to £25,873 as set out in the profit and loss account on page 4. An interim dividend of £20,000 will be paid for the year.

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 or since the balance sheet date:

	Appointed	Resigned
P F Hook		31.12.1999
J M Bury	12.04.1999	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 UDT Finance Limited in the capital of Lloyds TSB Group plc were:

Shares:

	At 31 January 2000	At 1 February 1999
M. P. Kilbee	30,077	32,271

Options to acquire shares:

	At 1 February 1999	During the year		At 31 January 2000
		Granted	Exercised	
M. P. Kilbee	12,146	4,000	-	16,146

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

On behalf of the board



S O'Connor
Company Secretary
17 November 2000

LLOYDS UDT BUSINESS EQUIPMENT 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 Lloyds UDT Business Equipment 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 January 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

17 November 2000

LLOYDS UDT BUSINESS EQUIPMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST JANUARY 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	5,455,673	7,543,836
INTEREST PAYABLE	3	(2,994,235)	(4,265,479)
OTHER OPERATING CHARGES		(2,419,796)	(2,251,304)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	41,642	1,027,053
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	(15,769)	(293,882)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		25,873	733,171
DIVIDEND		(20,000)	(730,000)
		<hr/>	<hr/>
		5,873	3,171
RETAINED PROFIT BROUGHT FORWARD		8,198	5,027
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		<u>14,071</u>	<u>8,198</u>

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.

LLOYDS UDT BUSINESS EQUIPMENT LIMITED

BALANCE SHEET

AT 31ST JANUARY 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
FIXED ASSETS			
Operating lease assets	6	11,881,024	11,144,520
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors : due within one year	7	20,393,794	23,725,847
due after more than one year	7	30,601,552	43,275,144
		<hr/>	<hr/>
		50,995,346	67,000,991
Creditors: amounts due within one year	8	(52,072,896)	(64,491,996)
		<hr/>	<hr/>
NET CURRENT (LIABILITIES) / ASSETS		(1,077,550)	2,508,995
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,803,474	13,653,515
PROVISIONS FOR LIABILITIES AND CHARGES	9	(5,773,000)	(6,105,000)
ACCRUALS AND DEFERRED INCOME	10	(5,016,303)	(7,540,217)
		<hr/>	<hr/>
NET ASSETS		14,171	8,298
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	11	100	100
PROFIT AND LOSS ACCOUNT		14,071	8,198
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		14,171	8,298
		<hr/> <hr/>	<hr/> <hr/>



D. K. POTTS
Director

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

LLOYDS UDT BUSINESS EQUIPMENT 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 UDT Finance Limited.

(b) Income Recognition - Finance Leases:

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 receivables were £24,911,571 (1998, £21,422,853) from leasing contracts. The cost of assets acquired during the year under leasing contracts was £11,851,879 (1998, £16,407,509).

3. INTEREST PAYABLE

	<u>2000</u> £	<u>1999</u> £
On loans from group company	2,994,235	4,265,479

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2000</u> £	<u>1999</u> £
The following have been taken into account in arriving at the profit:		
Audit fee	-	5,000
Directors' emoluments	-	-
Depreciation of operating lease assets	1,900,870	1,842,746
Bad and doubtful debts - charge	312,826	109,563
Loss on sale of operating lease assets	610,419	141,715

No remuneration was paid or is payable by the company to the directors. The directors are employed by other companies in the Lloyds UDT Finance 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 immediate parent company.

LLOYDS UDT BUSINESS EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS

5. TAXATION	<u>2000</u> £	<u>1999</u> £
Current year:		
Group relief payable/(receivable) 30.16 % (1999: 31%)	347,543	(489,118)
Transfer to deferred taxation	(332,000)	783,000
	<u>15,543</u>	<u>293,882</u>
Prior year:		
Group relief	226	-
	<u>15,769</u>	<u>293,882</u>
6. OPERATING LEASE ASSETS		£
Cost:		
At 31st January 1999		13,486,823
Additions		5,288,096
Disposals		(3,541,226)
		<u> </u>
At 31st January 2000		15,233,693
		<u> </u>
Depreciation:		
At 31st January 1999		2,342,303
Charge for year		1,900,870
Disposals		(890,504)
		<u> </u>
At 31st January 2000		3,352,669
		<u> </u>
Net book value at 31st January 2000		11,881,024
		<u> </u>
Net book value at 31st January 1999		11,144,520
		<u> </u>

LLOYDS UDT BUSINESS EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS

7.	DEBTORS	<u>2000</u>		<u>1999</u>	
		Due within <u>one year</u> £	Due after more than <u>one year</u> £	Due within <u>one year</u> £	Due after more than <u>one year</u> £
	Trade debtors:				
	Rentals receivable under leasing contracts, less provisions	19,517,264	30,601,552	21,891,526	43,275,144
	Group relief receivable	-	-	489,118	-
	Sundry debtors	876,530	-	1,345,203	-
		<u>20,393,794</u>	<u>30,601,552</u>	<u>23,725,847</u>	<u>43,275,144</u>
8.	CREDITORS: amounts falling due within one year	<u>2000</u>		<u>1999</u>	
		£		£	
	Amounts owed to parent and fellow subsidiary companies		49,582,921		61,968,602
	Trade creditors		1,922,494		1,603,429
	Other creditors		244,081		189,965
	Dividend payable		20,000		730,000
	Group relief		318,543		-
			<u>52,072,896</u>		<u>64,491,996</u>
9.	PROVISIONS FOR LIABILITIES AND CHARGES			£	
	Deferred Tax:				
	Balance at 31st January 1999				6,105,000
	Transferred from Profit and Loss Account				(332,000)
					<u>5,773,000</u>
	Balance at 31st January 2000				
The amounts provided at 31st January 2000 and 1999 are the full potential liabilities and are attributable to accelerated capital allowances.					
10.	ACCRUALS AND DEFERRED INCOME	<u>2000</u>		<u>1999</u>	
		£		£	
	Unearned leasing income		5,015,938		7,540,124
	Unearned credit insurance commission		365		93
			<u>5,016,303</u>		<u>7,540,217</u>

LLOYDS UDT BUSINESS EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS

11.	CALLED UP SHARE CAPITAL	<u>2000</u> £	<u>1999</u> £
	Authorised:		
	Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, issued and fully paid:		
	Ordinary shares of £1 each	<u>100</u>	<u>100</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 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. DATE OF APPROVAL

The directors approved the accounts on 17 November 2000.