

LOMBARD PLANT LEASING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000



Lombard Plant Leasing Limited is registered in England and Wales No. 2208679.
Registered Office: 3 Princess Way, Redhill, Surrey, RH1 1NP.

LOMBARD PLANT LEASING LIMITED

DIRECTORS

C G Knowles

N Pearce

J D Stuart

C P Sullivan

SECRETARY

A M Cunningham

LOMBARD PLANT LEASING LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the financial statements for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of credit finance by way of leasing.

BUSINESS REVIEW

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

The company traded profitably during the year under review and the directors expect that it will continue to do so.

DIRECTORS

The present directors are as shown on page 1.

The following were appointed to the board:-

Mr C G Knowles on 13 April 2000.

Mr J D Stuart on 1 July 2001.

Mr P Higgins resigned from the board on 30 March 2000.

DIRECTORS' INTERESTS

All of the directors at the year end were also directors of the immediate parent undertaking, Lombard North Central PLC, a company which is itself required to keep a register of directors' interests. The directors were not therefore required to notify their interests in the shares or debentures of The Royal Bank of Scotland Group plc group undertakings to the company.

By order of the board

Angela M Cunningham
Secretary

18th October 2001

LOMBARD PLANT LEASING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:-

- i. select suitable accounting policies and then apply them consistently;
- ii. make judgements and estimates that are reasonable and prudent;
- iii. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- iv. 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS, DELOITTE & TOUCHE, TO THE MEMBERS OF

LOMBARD PLANT LEASING LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.


BASIS OF OPINION

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche

Chartered Accountants and
Registered Auditors

Crawley, 2001
19 October

LOMBARD PLANT LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 <u>£'000</u>	1999 <u>£'000</u>
Turnover	2	728	1,594
Operating charges		<u>(113)</u>	<u>(84)</u>
Operating profit	3	615	1,510
Income from fixed asset investment	4	<u>-</u>	<u>21</u>
		615	1,531
Interest payable	5	<u>(449)</u>	<u>(349)</u>
Profit on ordinary activities before taxation		166	1,182
Taxation charge on profit on ordinary activities	7	<u>(50)</u>	<u>(240)</u>
Profit on ordinary activities after taxation		116	942
Dividend	8	<u>-</u>	<u>(900)</u>
Retained profit for the financial year	11	<u>116</u>	<u>42</u>

All items dealt with in arriving at Profit on ordinary activities before taxation for 2000 and 1999 arise from continuing operations.

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £116,000 in the year ended 31 December 2000 and of £942,000 in the year ended 31 December 1999.

The notes on pages 7 to 12 form part of these financial statements.

LOMBARD PLANT LEASING LIMITED

BALANCE SHEET

AT 31 DECEMBER 2000

	Note	2000 £'000	1999 £'000
<u>ASSETS</u>			
CURRENT ASSETS			
Debtors falling due within one year	9	6,779	2,209
Debtors falling due after more than one year	9	2,987	7,161
		<u>9,766</u>	<u>9,370</u>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account	11	<u>214</u>	<u>98</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	12	214	98
 CREDITORS			
	14	<u>9,552</u>	<u>9,272</u>
		<u>9,766</u>	<u>9,370</u>

The financial statements were approved at a meeting of the board of directors
on 18th October 2001 and were signed on their behalf by:



Nigel Pearce

Director

The notes on pages 7 to 12 form part of these financial statements.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a. Accounting Convention

The financial statements have been prepared upon the basis of historical cost and in accordance with applicable accounting standards.

b. Finance Leases

Assets made available to third parties under finance leases are treated as amounts receivable.

Income from finance leases is credited to the profit and loss account in proportion to the funds invested.

c. Deferred Taxation

Deferred tax is provided using the liability method on all timing differences to the extent that a tax liability is expected to arise in the future. Credit for deferred tax is taken in respect of timing differences to the extent that tax relief is expected to crystallise.

d. Related Party Transactions/Financial Reporting Standard 1

As a wholly owned subsidiary of Lombard North Central PLC, the company has taken advantage of the exemption permitted by Financial Reporting Standard 8, 'Related Party Disclosures', and does not disclose inter company transactions. Similarly, the company is exempted under Financial Reporting Standard 1, 'Cash Flow Statements', from the requirement to prepare a cash flow statement.

2. TURNOVER

- (i) Turnover represents lease income and termination adjustments credited to the profit and loss account during the year, all of which arises in the United Kingdom and is from continuing activities.

	2000	1999
	<u>£'000</u>	<u>£'000</u>
(ii) Aggregate rentals (payable)/receivable during the year under finance leases	<u>(147)</u>	<u>861</u>

Aggregate rentals payable include rebates of rentals.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING PROFIT

There is no charge in this year's financial statements for auditors' remuneration as the fee is to be charged in the financial statements of the immediate parent undertaking (1999 - £nil).

4. INCOME FROM FIXED ASSET INVESTMENT

During 1998, the company disposed of its shareholding in Lex Vehicle Leasing (Holdings) Limited, a company registered in England and Wales, at that time a subsidiary undertaking within the Lombard North Central PLC group. During the previous year a dividend of £21,000 was received in respect of this investment.

5. INTEREST PAYABLE

	2000	1999
	<u>£'000</u>	<u>£'000</u>
On bank loans and overdrafts, and other loans:		
To group undertakings	<u>449</u>	<u>349</u>

6. EMPLOYEES, DIRECTORS' REMUNERATION AND INTERESTS

No emoluments were paid to any director by the company during the year (1999 - £nil).

None of the directors had any material interest in any contract of significance in relation to the business of the company (1999 - £nil).

The company has no direct employees.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TAXATION CHARGE ON PROFIT ON ORDINARY ACTIVITIES	2000 £'000	1999 £'000
Group relief receivable*	(962)	(875)
Transfer to deferred tax (note 13)	1,012	1,216
Adjustments in respect of prior years:		
UK corporation tax	-	(1,602)
Group relief (receivable)/payable*	(57)	1,501
Transfer to deferred tax (note 13)	57	-
	<u>50</u>	<u>240</u>

* Provision for group relief is made on the assumption that the claimant companies will make payment to the surrendering companies at rates appropriate to the periods in which the losses claimed are utilised.

8. DIVIDENDS	2000 £'000	1999 £'000
Ordinary shares:		
Dividend proposed	<u>-</u>	<u>900</u>

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. DEBTORS	2000 <u>£'000</u>	1999 <u>£'000</u>
Amounts falling due:		
i) Within one year		
Trade debtors	16	50
Amounts owed by group undertakings	1,730	1,158
Net investment in finance leases	5,031	1,001
Prepayments and accrued income	<u>2</u>	<u>-</u>
	6,779	2,209
ii) After more than one year		
Net investment in finance leases	2,747	5,852
Deferred tax (note 13)	<u>240</u>	<u>1,309</u>
	2,987	7,161
Total debtors	<u><u>9,766</u></u>	<u><u>9,370</u></u>

10. CALLED UP SHARE CAPITAL

	2000		1999	
	<u>Authorised</u>	Allotted, called up and <u>fully paid</u>	<u>Authorised</u>	Allotted, called up and <u>fully paid</u>
	£	£	£	£
Ordinary shares of £1 each	<u>1,000</u>	<u>100</u>	<u>1,000</u>	<u>100</u>

All of the above share capital relates to equity funds.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. PROFIT AND LOSS ACCOUNT

	<u>£'000</u>
Balance at 1 January 2000	98
Retained profit for the financial year	116
Balance at 31 December 2000	<u>214</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Profit attributable to members of the company	116	942
Dividends	-	(900)
Net movement in shareholders' funds	<u>116</u>	<u>42</u>
Opening shareholders' funds	98	56
Closing shareholders' funds	<u>214</u>	<u>98</u>

13. DEFERRED TAXATION ASSET

	<u>£'000</u>
Balance at 1 January 2000	(1,309)
Transfer from profit and loss account (note 7)	1,069
Balance at 31 December 2000	<u>(240)</u>

There is no unprovided liability for deferred tax. Deferred tax has been included as an asset in respect of capital allowances to the extent that tax relief is expected to crystallise in the future.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. CREDITORS	2000 <u>£'000</u>	1999 <u>£'000</u>
Amounts falling due within one year:		
Trade creditors	46	227
Amounts owed to group undertakings	7,266	7,221
Other creditors	1,340	924
Declared dividends	900	-
Proposed dividends	-	900
	<u>9,552</u>	<u>9,272</u>

15. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Lombard North Central PLC, registered in England and Wales. The ultimate parent undertaking and ultimate controlling party is The Royal Bank of Scotland Group plc, registered in Scotland.

Copies of the financial statements of Lombard North Central PLC can be obtained from:
The Secretary, Lombard North Central PLC, 3 Princess Way, Redhill, Surrey, RH1 1NP.

Copies of the financial statements of The Royal Bank of Scotland Group plc can be obtained from:
The Secretary, The Royal Bank of Scotland Group plc, 36 St Andrew Square, Edinburgh, EH2 2YB.