

**Company Registration No: 2208679**

**LOMBARD PLANT LEASING LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**3 Princess Way  
Redhill  
Surrey  
RH1 1NP**



# **LOMBARD PLANT LEASING LIMITED**

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**LOMBARD PLANT LEASING LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

G S-S Ashworth  
C G Clemett  
N T J Clibbens  
P Marrow

**SECRETARY**

C J Whittaker

**REGISTERED OFFICE**

3 Princess Way  
Redhill  
Surrey  
RH1 1NP

**AUDITORS**

Deloitte & Touche LLP  
London

**Registered in England and Wales**

## **LOMBARD PLANT LEASING LIMITED**

### **DIRECTORS' REPORT**

The directors have pleasure in submitting their report and the financial statements for the year ended 31 December 2003.

#### **ACTIVITIES AND BUSINESS REVIEW**

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

The retained loss for the year was £78,000 (2002: retained profit £50,000) and this was met from reserves. The net amount financed under all forms of financial agreements entered into during the year was £nil (2002: £nil). The results for the year are set out in the profit and loss account on page 5. The directors do not propose payment of a dividend for the year (2002: £500,000).

#### **DIRECTORS**

From 1 January 2003 to date the following changes have taken place:

<b>Directors</b>	<b>Appointed</b>	<b>Resigned</b>
Mr N Pearce		31 May 2003
Mr J D Stuart		31 May 2003
Mr G C Clemett	1 June 2003	
Mr N T J Clibbens	1 June 2003	
Mr C G Knowles		29 February 2004
Mr C P Sullivan		29 February 2004
Mr G S-S Ashworth	1 March 2004	
Mr P Marrow	1 March 2004	

#### **DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial period with give a true and fair view of the state of affairs of the company at the end of the financial period 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; 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.

## **LOMBARD PLANT LEASING LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **DIRECTORS' INTERESTS**

No director had an interest in the shares of the company.

At the year end all the directors 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.

#### **ELECTIVE RESOLUTIONS**

Elective Resolutions electing to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and re-appointment of auditors annually were passed on 28 September 2004.

#### **AUDITORS**

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 10 September 2003 under the provisions of Section 26 (5) of the Companies Act 1989. The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of Section 386(2) of the Companies Act 1985.

By order of the board



N T J Clibbens  
Director

26 October 2004

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### LOMBARD PLANT LEASING LIMITED

We have audited the financial statements of Lombard Plant Leasing Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 Companies Act 1985. We also report 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 with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

#### BASIS OF AUDIT 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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

**Chartered Accountants and Registered Auditors**

**London 10 October 2004**

# **LOMBARD PLANT LEASING LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	2003 <u>£'000</u>	2002 <u>£'000</u>
Turnover	2	-	959
Operating charges		<u>(55)</u>	<u>(60)</u>
<b>Operating (loss)/profit</b>	3	(55)	899
Interest payable	4	<u>(56)</u>	<u>(114)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(111)	785
Taxation credit/(charge) on (loss)/profit on ordinary activities	6	<u>33</u>	<u>(235)</u>
<b>Loss/profit on ordinary activities after taxation</b>		(78)	550
Dividends	7	-	(500)
<b>Retained (loss)/profit for the financial year</b>	10	<u><u>(78)</u></u>	<u><u>50</u></u>

All items dealt with in arriving at the loss on ordinary activities before taxation for 2003 and the profit on ordinary activities before taxation in 2002 arise from continuing operations.

### **RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £78,000 in the year ended 31 December 2003 and the profit of £550,000 in the year ended 31 December 2002, accordingly no statement of total recognised gains and losses has been presented.

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

# LOMBARD PLANT LEASING LIMITED

## BALANCE SHEET

AT 31 DECEMBER 2003

	Note	2003 <u>£'000</u>	2002 <u>£'000</u>
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Debtors falling due within one year	8	1,693	3,000
Debtors falling due after more than one year	8	<u>790</u>	<u>950</u>
		<u>2,483</u>	<u>3,950</u>
<b><u>LIABILITIES</u></b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	-	-
Profit and loss account	10	<u>28</u>	<u>106</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	11	28	106
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>2,455</u>	<u>3,844</u>
		<u>2,483</u>	<u>3,950</u>

The financial statements were approved at a meeting of the board of directors on 26 October 2004 and were signed on their behalf by:



Nigel Timothy John Clibbens

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 on the basis of historical cost and in accordance with applicable United Kingdom accounting standards.

The company's accounts fall within the scope of Statement of Recommended Practice ("SORP") issued by the Finance & Leasing Association. The accounts have been prepared in accordance with the relevant SORP currently in effect, in all material aspects.

#### b. Finance leases

Income from finance leases is recognised over the primary period of the lease in order that pre tax and post tax profits are allocated to accounting periods so as to give a constant periodic rate of return on the net cash investment. Finance lease receivables are stated at the amount of the net investment in the lease.

The balance sheet carrying values of finance lease assets include balances in respect of residual values. Unguaranteed residual values are subject to regular review and movements are reflected via the depreciation charge. Details in respect of unguaranteed residual values are given in note 14.

#### c. Taxation

Deferred tax is provided in full, without discounting, in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are only recognised to the extent that it is regarded that it is more likely than not that they will be recovered. Deferred tax amounts are not discounted.

#### d. Cashflow statement

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.

	2003 <u>£'000</u>	2002 <u>£'000</u>
(ii) Aggregate rentals receivable during the year under finance leases	<u>871</u>	<u>1,272</u>

# **LOMBARD PLANT LEASING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **3. OPERATING (LOSS)/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 (2002 - £nil).

<b>4. INTEREST PAYABLE</b>	<b>2003</b>	<b>2002</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
On bank loans and overdrafts, and other loans:		
To group undertakings	<u>56</u>	<u>114</u>

### **5. EMPLOYEES, DIRECTORS' REMUNERATION AND INTERESTS**

No emoluments were paid to any director by the company during the year (2002 - £nil).

None of the directors had any material interest in any contract of significance in relation to the business of the company (2002 - £nil).

The company has no direct employees (2002 - nil).

<b>6. TAXATION (CREDIT)/CHARGE ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	<b>2003</b>	<b>2002</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>

#### **A) Analysis of (credit)/charge in the year**

Current taxation:		
Group relief payable*	(30)	29
Adjustments in respect of prior years	1	(3)
Deferred Taxation:		
Origination and reversal of timing differences (note 12)	(3)	206
Adjustments in respect of prior years (note 12)	(1)	3
	<u>(33)</u>	<u>235</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.

# **LOMBARD PLANT LEASING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **6. TAXATION (CREDIT)/CHARGE ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

#### **B) Factors affecting the tax (credit)/charge for the year**

The actual tax (credit)/charge is arrived at by applying the standard rate of corporation tax in the UK: 30% (2002-30%) as follows:

	<b>2003</b>	<b>2002</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
(Loss)/profit on ordinary activities before tax	<u>(111)</u>	<u>785</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	(33)	235
Effects of:		
Depreciation for the year in excess of capital allowances	3	-
Capital allowances for the year in excess of depreciation	-	(206)
Adjustments in respect of prior years	1	(3)
Current tax (credit)/charge for the year	<u>(29)</u>	<u>26</u>
Deferred Taxation:		
Origination and reversal of timing differences (note 12)	(3)	206
Adjustments in respect of prior years (note 12)	(1)	3
Actual tax (credit)/charge	<u>(33)</u>	<u>235</u>

### **7. DIVIDENDS**

	<b>2003</b>	<b>2002</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Ordinary shares:		
Dividend proposed - £nil per ordinary share (2002 -£5,000)	<u>-</u>	<u>500</u>

# **LOMBARD PLANT LEASING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>8. DEBTORS</b>	<b>2003</b>	<b>2002</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Amounts falling due:		
i) Within one year		
Trade debtors	222	454
Amounts owed by group undertakings	3	558
Net investment in finance leases	1,468	1,986
Prepayments and accrued income	<u>-</u>	<u>2</u>
	1,693	3,000
ii) After more than one year		
Net investment in finance leases	420	584
Deferred tax (note 12)	<u>370</u>	<u>366</u>
	790	950
 Total debtors	 <u><u>2,483</u></u>	 <u><u>3,950</u></u>

## **9. CALLED UP SHARE CAPITAL**

	<b>2003</b>		<b>2002</b>	
	<u>Authorised</u>	Allotted, called up and <u>fully paid</u>	<u>Authorised</u>	Allotted, called up and <u>fully paid</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</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.

## **10. PROFIT AND LOSS ACCOUNT**

	<b><u>£'000</u></b>
Balance at 1 January 2003	106
Retained loss for the financial year	(78)
Balance at 31 December 2003	<u><u>28</u></u>

# **LOMBARD PLANT LEASING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2003</b>	<b>2002</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
(Loss)/profit attributable to members of the company	(78)	550
Dividends	<u>-</u>	<u>(500)</u>
Net movement in shareholders' funds	(78)	50
Opening shareholders' funds	<u>106</u>	<u>56</u>
Closing shareholders' funds	<u><u>28</u></u>	<u><u>106</u></u>

### **12. DEFERRED TAXATION ASSET**

	<b>2003</b>	<b>2002</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Accelerated capital allowances	<u>370</u>	<u>366</u>
Balance at 1 January 2003	366	
Transfer from profit and loss account (note 6)	4	
Balance at 31 December 2003	<u><u>370</u></u>	

### **13. CREDITORS**

	<b>2003</b>	<b>2002</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Amounts falling due within one year:		
Trade creditors	663	8
Amounts owed to group undertakings	1,196	2,780
Other creditors	596	556
Proposed dividends	<u>-</u>	<u>500</u>
	<u><u>2,455</u></u>	<u><u>3,844</u></u>

# **LOMBARD PLANT LEASING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **14. RESIDUAL VALUE EXPOSURES**

The table below gives details in respect of unguaranteed residual values included in the carrying value of finance lease assets at the balance sheet date.

	Year in which residual value will be recovered				Total
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
At 31 December 2003	<u>1</u>	<u>3</u>	<u>5</u>	<u>-</u>	<u>9</u>
At 31 December 2002	<u>48</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>70</u>

### **15. ULTIMATE PARENT UNDERTAKING**

The company's immediate parent company is Lombard North Central PLC.

The company's ultimate holding company, ultimate controlling party, and the parent of the largest group into which the company is consolidated is the Royal Bank of Scotland plc which is incorporated in Great Britain and registered in Scotland. Financial statements for the The Royal Bank of Scotland Group plc can be obtained from the Royal Bank of Scotland 42 St Andrew Square, Edinburgh, EH2 2YE.

The smallest subgroup into which the company is consolidated has as its parent company The Royal Bank of Scotland plc, a company incorporated in Great Britain and registered in Scotland. Copies of the consolidated financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group plc, 42 St Andrew Square, Edinburgh, EH2 2YE.

### **16. RELATED PARTY TRANSACTIONS**

The company is exempt from the requirement of Financial Reporting Standard 8 "Related Party Disclosures" to disclose transactions and balances with other subsidiaries or investees of The Royal Bank of Scotland Group plc as the company's results are included in the Consolidated Financial Statements of The Royal Bank of Scotland Group plc.