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WOOD STREET INVESTMENTS LIMITED

31 March 1997

Member of Lloyds TSB Group



WOOD STREET INVESTMENTS LIMITED  
203 Blackfriars Road London SE1 8NH

DIRECTORS

A E Moore CBE - Chairman  
J A Davies  
D H A Harrison  
P B Miles (alternate: A R Foad)

SECRETARY

N S Black

AUDITORS

Price Waterhouse

REGISTERED OFFICE

71 Lombard Street  
London EC3P 3BS

REGISTERED NUMBER

2225861

# WOOD STREET INVESTMENTS LIMITED

## REPORT OF THE DIRECTORS

### PRINCIPAL ACTIVITY

The principal activity of the company is investment in properties which are leased out under finance leases.

During the year the company did not incur any expenditure on leased assets and at the end of the year the cost of leased assets owned was £150,559,000.

### RESULTS

The profit after taxation for the year ended 31 March 1997 amounted to £14,055,000 as set out in the profit and loss account on page 5.

An interim dividend of £34,357,000 was paid in July 1996.

### DIRECTORS

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

All the directors are also directors of Lloyds Leasing Limited, the parent company, and reference to their interests in the capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries is made in the report and accounts of Lloyds Leasing Limited.

### AUDITORS

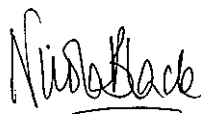
On 19 September 1996 KPMG resigned as auditors of the company and Price Waterhouse have been appointed in their place.

### POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The company's policy is to agree terms of payment with suppliers and these normally provide for payment 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 March 1997, the number of days required to be shown in this report, to comply with the provisions of paragraph 12(3) of part VI of schedule 7 to the Companies Act 1985, is nil.

On behalf of the board



N S Black  
Secretary

28 January 1998

## AUDITORS' REPORT TO THE MEMBER OF WOOD STREET INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

### Respective responsibilities of directors and auditors

Company law 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 period. 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have responsibility for ensuring the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements 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.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

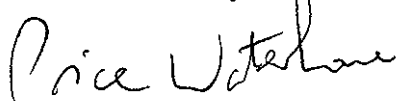
### Basis of opinion

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 information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse  
Chartered Accountants  
and Registered Auditors

Southwark Towers  
32 London Bridge Street  
London SE1 9SY

28 January 1998

## ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, in compliance with the Companies Act 1985 and in accordance with applicable accounting standards. The company is exempted from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with the requirements of Financial Reporting Standard 1 is included in the accounts of its ultimate parent company. In addition advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Lloyds TSB Group plc or other group or associated undertakings as the consolidated accounts of Lloyds TSB Group plc in which the company is included are publicly available.

(a) Income recognition - finance leases

(i) Tax variable leases

The pre- and post-tax profits on leases are allocated to the profit and loss account in proportion to the net cash invested in each period taking into account the effects of taxation so as to give a constant periodic rate of return.

(ii) Fixed for tax leases

Rentals receivable, after adjusting for the amortisation of the cost of leased assets either positive or negative, are credited to the profit and loss account over the primary period of each lease in proportion to the net cash invested in each period, taking into account the effects of taxation.

(b) Provisions for bad and doubtful debts

Provisions for bad and doubtful debts are based on a year-end appraisal of rentals receivable less income allocated to future periods.

(c) Deferred taxation

Deferred taxation is provided at the appropriate rates of taxation where there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

WOOD STREET INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 1997

	Note	1997 £000	Restated 1996 £000
TURNOVER	1	10,677	10,093
AMORTISATION OF LEASED ASSETS		6,274	7,604
		<hr/> 16,951	<hr/> 17,697
ADMINISTRATIVE EXPENSES		22	23
OTHER OPERATING INCOME		351	-
		<hr/> 17,280	<hr/> 17,674
INTEREST INCOME	2	1,590	2,945
		<hr/> 18,870	<hr/> 20,619
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
TAXATION	3	4,815	5,225
		<hr/> 14,055	<hr/> 15,394
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			

The notes on pages 8 to 10 form part of these accounts.

WOOD STREET INVESTMENTS LIMITED

RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES  
for the year ended 31 March 1997

	1997 £000	1996 £000
PROFIT FOR THE YEAR AFTER TAXATION	14,055	15,394
DIVIDEND	34,357	-
NET (DECREASE) INCREASE IN CAPITAL AND RESERVES	(20,302)	15,394
CAPITAL AND RESERVES AT BEGINNING OF YEAR	210,773	195,379
CAPITAL AND RESERVES AT END OF YEAR	190,471	210,773

The notes on pages 8 to 10 form part of these accounts.

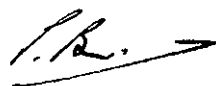
WOOD STREET INVESTMENTS LIMITED

BALANCE SHEET

at 31 March 1997

	Note	1997 £000	Restated 1996 £000
ASSETS			
CURRENT ASSETS			
DEBTORS			
Finance lease receivables after more than one year	4	199,978	193,772
Amounts owed by group companies	5	21,515	45,435
Other debtors		-	469
		<hr/>	<hr/>
		221,493	239,676
		<hr/>	<hr/>
LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	6	144,206	144,206
Profit and loss account	7	46,265	66,567
		<hr/>	<hr/>
		190,471	210,773
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	19,723	20,766
CREDITORS			
Amounts owed to group companies	9	11,299	7,996
Other creditors		-	141
		<hr/>	<hr/>
			8,137
		<hr/>	<hr/>
		221,493	239,676
		<hr/>	<hr/>

  
D H A Harrison - Director



P B Miles - Managing Director

The notes on pages 8 to 10 form part of these accounts.



WOOD STREET INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

1 TURNOVER

Turnover represents gross rentals receivable in the year.

2 INTEREST INCOME

	1997 £000	1996 £000
Interest receivable from fellow subsidiary companies	1,918	2,946
Interest payable to fellow subsidiary companies	328	1
	<hr/>	<hr/>
	1,590	2,945
	<hr/>	<hr/>

3 TAXATION

	1997 £000	Restated 1996 £000
Group relief payable - current year	5,858	3,726
- prior year	-	13
Deferred taxation	(1,043)	1,755
	<hr/>	<hr/>
	4,815	5,225
	<hr/>	<hr/>

The taxation charge on the profit for the year has been based on a United Kingdom corporation tax rate of 33% (1996: 33%).

4 FINANCE LEASE RECEIVABLES

	1997 £000	Restated 1996 £000
Future rentals	257,982	267,991
Less:		
Rentals received in advance	(67)	-
Income allocated to future periods	(57,937)	(74,219)
	<hr/>	<hr/>
Finance lease receivables	199,978	193,772
	<hr/>	<hr/>

Finance lease receivables represent the cost of leased assets together with accumulated amortisation credited to profit and loss account of £49,486,000 (1996: £43,213,000).

WOOD STREET INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

5 AMOUNTS OWED BY GROUP COMPANIES

1997	1996
£000	£000

Amounts due from fellow subsidiary companies	21,515	45,435
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6 CALLED UP SHARE CAPITAL

1997	1996
£000	£000

Authorised Ordinary shares of £1 each	500,000	500,000
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Allotted, called up and fully paid:	144,206	144,206
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The company regarded by the directors as the ultimate parent company is Lloyds TSB Group plc, which is also the parent company of the largest group of companies for which group accounts are drawn up and of which the company is a member. Lloyds Bank Plc is the parent company of the smallest such group of companies. 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.

7 PROFIT AND LOSS ACCOUNT

1997
£000

At 1 April	66,567
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Deficit for the year	(20,302)
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At 31 March	46,265
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8 DEFERRED TAXATION

£000
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At 1 April 1996 - restated	20,766
Credit for the year	1,043

At 31 March 1997	19,723
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The balances at 31 March 1997 and 1 April 1996 represent full provision in respect of the potential liability of the company to taxation on the excess of capital allowances over related amortisation of leased assets.

WOOD STREET INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

9 AMOUNTS OWED TO GROUP COMPANIES

	1997 £000	1996 £000
Amounts falling due within one year:		
Bank overdraft	-	272
Group relief payable	11,299	7,724
	<hr/>	<hr/>
	11,299	7,996
	<hr/>	<hr/>

10 CHANGE IN PRESENTATION

Certain prior year figures have been restated to be consistent with the basis of presentation for the current year.

11 DATE OF APPROVAL

The directors approved the accounts on 28 January 1998.