

WOOD STREET INVESTMENTS LIMITED

31 March 1996

2225861



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

P A Stafford

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 £155,185,000.

CHANGE IN ACCOUNTING POLICIES

The requirements of SSAP 21 have been applied in preparing the financial statements. This has resulted in prior period adjustments which are detailed in the Statement of Total Recognised Gains and Losses and note 7 to the accounts.

RESULTS

The profit after taxation for the year ended 31 March 1996 amounted to £15,394,000 as set out in the profit and loss account on page 5.

DIRECTORS

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

During the year the following directors were appointed or resigned.

	<u>Appointed</u>	<u>Resigned</u>
J A Davies	19 January 1996	
D H A Harrison	19 January 1996	
P B Miles	19 January 1996	
A E Moore	19 January 1996	
A W Jukes		19 January 1996
P Sharman		19 January 1996
R J Dismorr		19 January 1996
N T West		19 January 1996

On 19 January 1996 Mr Moore was elected chairman of the company and Mr A R Foad was appointed an alternate director to Mr Miles.

All the directors are also directors of Lloyds Leasing Limited, the immediate 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.

On behalf of the board



P A Stafford
Secretary

30 January 1997

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 1996 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

30 January 1997

WOOD STREET INVESTMENTS LIMITED

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 undertaking.

(a) Income recognition - finance 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.

(d) Companies Act 1985 (see also note 3)

Profit on ordinary activities before taxation and taxation include where appropriate grossing adjustments ("equalisation") in respect of non-taxable income and non-allowable expenditure. This departure from the profit and loss formats set out in the Companies Act 1985 has been adopted in compliance with the principles established in Statement of standard accounting practice no 21.

WOOD STREET INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1996

	Note	1996 £000	Restated 1995 £000
TURNOVER	1	10,093	7,340
AMORTISATION OF LEASED ASSETS		9,886	10,307
		<hr/>	<hr/>
		19,979	17,647
ADMINISTRATIVE EXPENSES		23	688
OTHER OPERATING INCOME		-	50
		<hr/>	<hr/>
		19,956	17,009
INTEREST INCOME	2	2,945	1,795
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		22,901	18,804
TAXATION	3	7,507	6,272
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PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		15,394	12,532
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The notes on pages 9 to 10 form part of these accounts.

WOOD STREET INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 1996

	Note	1996 £000	1995 as restated £000
PROFIT FOR THE FINANCIAL YEAR		15,394	12,532
PRIOR PERIOD ADJUSTMENT	7	21,448	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS		36,842	

RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES
for the year ended 31 March 1996

	1996 £000	Restated 1995 £000
PROFIT FOR THE YEAR AFTER TAXATION	15,394	12,532
ISSUE OF SHARE CAPITAL	-	20,581
NET INCREASE IN CAPITAL AND RESERVES	15,394	33,113
CAPITAL AND RESERVES AT BEGINNING OF YEAR	195,379	162,266
CAPITAL AND RESERVES AT END OF YEAR	210,773	195,379

WOOD STREET INVESTMENTS LIMITED

BALANCE SHEET
at 31 March 1996

	Note	1996 £000	Restated 1995 £000
ASSETS			
CURRENT ASSETS			
DEBTORS			
Finance lease receivables after more than one year	4	183,243	177,359
		<hr/>	<hr/>
		183,243	177,359
Amounts owed by group companies	5	45,435	32,995
Other debtors		469	11
		<hr/>	<hr/>
		229,147	210,365
		<hr/>	<hr/>
LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	6	144,206	144,206
Profit and loss account	7	66,567	51,173
		<hr/>	<hr/>
		210,773	195,379
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	10,237	10,472
CREDITORS			
Amounts owed to group companies	9	7,996	3,985
Other creditors		141	529
		<hr/>	<hr/>
		8,137	4,514
		<hr/>	<hr/>
		229,147	210,365
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A E Moore - Chairman



P B Miles - Managing Director

The notes on pages 9 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

	1996 £000	1995 £000
Interest receivable from other Lloyds TSB group companies	2,946	1,878
Interest payable to other Lloyds TSB group companies	1	83
	<hr/>	<hr/>
	2,945	1,795
	<hr/>	<hr/>

3 TAXATION

	1996 £000	1995 £000
Group relief payable - current year	3,726	2,269
- prior year	13	82
Equalisation	4,003	3,964
Deferred taxation	(235)	(43)
	<hr/>	<hr/>
	7,507	6,272
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The taxation charge on the profit for the year has been based on a United Kingdom corporation tax rate of 33% (1995: 33%).

4 FINANCE LEASE RECEIVABLES

	1996 £000	1995 £000
Future rentals	267,991	270,064
Less:		
Income allocated to future periods	84,748	92,705
	<hr/>	<hr/>
Finance lease receivables	183,243	177,359
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Finance lease receivables represent the cost of leased assets together with accumulated amortisation credited to profit and loss account of £30,405,000 (1995: £24,856,000).

WOOD STREET INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

5 AMOUNTS OWED BY GROUP UNDERTAKINGS

	1996 £000	1995 £000
Amounts due from other Lloyds TSB group companies	45,435	32,995

6 CALLED UP SHARE CAPITAL

	1996 £000	1995 £000
Authorised Ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid:	144,206	144,206

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. Lloyds TSB Group plc is registered in Scotland and Lloyds Bank Plc is registered in England and Wales. 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

	1996 £000	1995 £000
At 1 April	51,173	17,193
Prior period adjustment	-	21,448
Restated position at 1 April	51,173	38,641
Retained profit for the year	15,394	12,532
At 31 March	66,567	51,173

A change in accounting policies has resulted in a prior period adjustment of £29,177,000 of which £7,729,000 relates to the year ended 31st March 1995 and £21,448,000 relates to earlier periods. The profit after tax for the current year applying the previous accounting policies, would have been £7,415,000.

8 DEFERRED TAXATION

	£000
At 1 April 1995 - restated	10,472
Credit for the year	(235)
At 31 March 1996	10,237

The balances at 31 March 1996 and 1 April 1995 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

	1996 £000	1995 £000
Amounts falling due within one year:		
Bank overdraft	272	-
Group relief payable	7,724	3,985
	<hr/>	<hr/>
	7,996	3,985
	<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 30 January 1997.