

2269493

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED

30 September 1999



ED1
COMPANIES HOUSE

E1AX8NSP

0073
18/01/00

A43
COMPANIES HOUSE

A8L83NS9

0224
18/01/00

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED
203 Blackfriars Road London SE1 8NH

DIRECTORS

D P Pritchard - Chairman
M J Green
D H A Harrison
P B Miles (alternate: A R Foad)

SECRETARY

N S Black

AUDITORS

PricewaterhouseCoopers

REGISTERED OFFICE

71 Lombard Street
London EC3P 3BS

REGISTERED NUMBER

2269493

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED

REPORT OF THE DIRECTORS

PRINCIPAL ACTIVITY

The principal activity of the company is property investment.

At the end of the year the cost of leased assets owned amounted to £77,162,000.

RESULTS

The profit after taxation for the year ended 30 September 1999 amounted to £1,210,000 as set out in the profit and loss account on page 5.

An interim dividend of £1,200,000 will be paid in December 1999.

DIRECTORS

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

All the directors are also directors of Lloyds TSB 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 TSB Leasing Limited.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The company does not follow a code relating to payments to suppliers. Its policy is to agree terms of payment and these normally provide for settlement 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 30 September 1999, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 1985, is nil.

YEAR 2000

The company recognises the far-reaching implications of the Year 2000 problem. Lloyds TSB Leasing Limited, of which the company is a subsidiary, has undertaken a review of computerised systems throughout the group, to identify any alterations needed to deal with problems arising from the failure to recognise dates before, on or after 1 January, 2000. Testing of all systems has now been satisfactorily completed and there are plans to ensure that customer service will be maintained at all times.

The group is liaising with its customers, suppliers and others to assess and minimise the impact on the group should they fail to deal adequately with this issue.

All costs relating to the company were borne by Lloyds TSB Leasing Limited.

On behalf of the board



N S Black
Secretary

23 December 1999

AUDITORS' REPORT TO THE MEMBER OF LLOYDS LEASING MEADOWHALL DEVELOPMENT 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 as at the end of the year and of the profit or loss of the company for that year. 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; and
- 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 at any time 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.

Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and by our profession's ethical guidance.

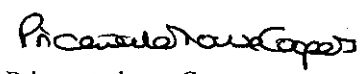
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper 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 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 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 30 September 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

Southwark Towers
32 London Bridge Street
London SE1 9SY

23 December 1999

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) Accounting presentation

A property investment company has no equivalent to cost of sales or gross profit. Consequently, the directors consider adaptation of the Companies Act 1985 profit and loss account format to be appropriate. Amortisation of leased assets is the charge or credit to the profit and loss account necessary to comply with the company's policy on income recognition for finance leases. Net interest expense has been shown above administration expenses since this reflects more meaningfully the nature of interest expense within the context of a property investment business. Operating expenses include administration expenses, management fees payable to the parent company and such other expenses as may be incurred as overheads during the normal conduct of the company's business.

(b) Income recognition - finance leases

Income and expenses are included in the profit before taxation on the basis of the amounts actually payable or receivable, without any adjustment to reflect a notional amount of tax that would have been paid or relieved in respect of the transaction if it had been taxable, or allowable for tax purposes on a different basis. In order to preserve the recognition of profit after tax in accordance with the actuarial after tax method, tax equalisation adjustments are made on those transactions which include permanent tax differences resulting from income and expenses subject to non standard rates of tax.

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.

(c) 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.

(d) 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.

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1999

	Note	1999 £000	1998 £000
TURNOVER	1	9,244	9,063
AMORTISATION OF LEASED ASSETS		1,779	1,728
		<hr/>	<hr/>
		11,023	10,791
NET INTEREST EXPENSE	2	10,498	10,353
		<hr/>	<hr/>
OPERATING EXPENSES		525	438
Management fee payable to parent company		9	8
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		516	430
TAXATION	3	694	713
		<hr/>	<hr/>
PROFIT AFTER TAXATION		1,210	1,143
		<hr/>	<hr/>

There are no further gains or losses attributable to the shareholder other than those disclosed above.

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED

RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES
for the year ended 30 September 1999

	1999 £000	1998 £000
PROFIT FOR THE YEAR AFTER TAXATION	1,210	1,143
DIVIDEND	1,200	1,100
	<hr/>	<hr/>
NET INCREASE IN CAPITAL AND RESERVES	10	43
CAPITAL AND RESERVES AT BEGINNING OF YEAR	162	119
	<hr/>	<hr/>
CAPITAL AND RESERVES AT END OF YEAR	172	162
	<hr/>	<hr/>

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

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED

BALANCE SHEET
at 30 September 1999

	Note	1999 £000	1998 £000
ASSETS			
CURRENT ASSETS			
DEBTORS			
Finance lease receivables after more than one year	4	107,085	105,306
Amounts owed by group companies	5	1,176	1,357
		<hr/>	<hr/>
		108,261	106,663
		<hr/>	<hr/>
LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account	7	72	62
		<hr/>	<hr/>
		172	162
PROVISIONS FOR LIABILITIES AND CHARGES			
	8	3,058	3,870
CREDITORS			
Amounts owed to group companies	9	104,542	102,232
Other creditors		489	399
		<hr/>	<hr/>
		105,031	102,631
		<hr/>	<hr/>
		108,261	106,663
		<hr/>	<hr/>

Director

Mitchard

Director

P. B. -

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

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED

NOTES TO THE ACCOUNTS

1 TURNOVER

Turnover represents gross rentals receivable in the year.

2 NET INTEREST EXPENSE

	1999 £000	1998 £000
Net interest expense comprises:		
Interest payable to other group companies on bank loans and overdrafts	10,565	10,353
Less:		
Interest receivable from group undertakings	(67)	-
	<u>10,498</u>	<u>10,353</u>

3 TAXATION

	1999 £000	1998 £000
Group relief payable – current year	(116)	(77)
Group relief payable – prior year	(2)	-
Deferred taxation	(41)	17
Tax equalisation	853	773
	<u>694</u>	<u>713</u>

The taxation credit on the profit for the year has been based on a United Kingdom corporation tax rate of 30% (1998: 31%).

4 FINANCE LEASE RECEIVABLES

	1999 £000	1998 £000
Future rentals	118,268	127,512
Less:		
Income allocated to future periods	(11,183)	(22,206)
	<u>107,085</u>	<u>105,306</u>

Finance lease receivables represents the cost of leased assets less rentals received in advance after crediting the following:

Accumulated amortisation	<u>29,923</u>	<u>28,144</u>
--------------------------	---------------	---------------

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED

NOTES TO THE ACCOUNTS

5 AMOUNTS OWED BY GROUP COMPANIES

	1999 £000	1998 £000
Bank deposits	1,109	1,329
Sums due from subsidiary undertakings	67	-
Group relief receivable	-	28
	<hr/>	<hr/>
	1,176	1,357
	<hr/>	<hr/>

6 CALLED UP SHARE CAPITAL

	1999 £000	1998 £000
Authorised, allotted and issued fully paid: ordinary shares of £1 each	100	100
	<hr/>	<hr/>

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 TSB 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

	£000
At 1 October 1998	62
Retained profit for the year	10
	<hr/>
At 30 September 1999	72
	<hr/>

8 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £000	Tax equalisation £000	Balance sheet amounts £000
At 1 October 1998	2,143	1,727	3,870
Transfer from (to) profit and loss for the year	41	(853)	(812)
	<hr/>	<hr/>	<hr/>
At 30 September 1999	2,184	874	3,058
	<hr/>	<hr/>	<hr/>

The deferred taxation balance at 1 October 1998 and 30 September 1999 represent the potential liability of the company to taxation on the excess of capital allowances over related amortisation of leased assets.

LLOYDS LEASING MEADOWHALL DEVELOPMENT LIMITED

NOTES TO THE ACCOUNTS

9 AMOUNTS OWED TO GROUP COMPANIES

	1999 £000	1998 £000
Amounts falling due within one year:		
Bank borrowings	103,125	100,465
Interest payable	30	29
Group relief payable	187	638
Interim dividend	1,200	1,100
	<hr/>	<hr/>
	104,542	102,232
	<hr/>	<hr/>

10 COMMITMENTS

The company in the course of its business enters into interest rate swap contracts. The underlying principal amount of these contracts and the replacement cost obtained by marking to market are:

	1999 £000	1998 £000
Underlying principal amount	103,127	100,463
Replacement cost	29,163	37,357

11 DATE OF APPROVAL

The directors approved the accounts on 23 December 1999.