

LLOYDS PREMISES INVESTMENTS LIMITED

ANNUAL REPORT AND ACCOUNTS 2002



MEMBER OF LLOYDS TSB GROUP

LLOYDS PREMISES INVESTMENTS LIMITED

Annual report and accounts 2002

Registered office

25 Gresham Street
London
EC2V 7HN

Registered number

2521270

Directors

A G Strang (Chairman)
H D C Stebbing (Managing Director)

Secretary

S J Hopkins

LLOYDS PREMISES INVESTMENTS LIMITED

Report of the directors

Principal activity and results

The company undertakes property investment.

The profit after taxation for the year ended 31 December 2002 was £320,060 (2001: £600,645) as set out in the profit and loss account on page 3.

Directors

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

Reference is made on page 9 in note 12 to the interests of the directors in the capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries.

Policy on practice on payment of creditors

The company follows "The Better Payment Practice Code" published by the Department of Trade and Industry regarding payments to suppliers. A copy of the code and information about it may be obtained from the DTI Publication Order Line 0870-1502500 (quoting ref URN 01/621).

The company's policy is to agree terms of payment with suppliers 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 31 December 2002, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 1985, is nil (2001: nil).

On behalf of the board



A G Strang
Director

15 October 2003

LLOYDS PREMISES INVESTMENTS LIMITED

Profit and loss account for the year ended 31 December 2002

	Note	2002 £	2001 £
Turnover	2	620,919	617,323
Cost of sales (net of rebate in 2001)		-	(2,650)
		-----	-----
Gross profit		620,919	619,973
Administrative expenses		(119,159)	(126,814)
		-----	-----
		501,760	493,159
Profit on disposal of properties		-	286,486
		-----	-----
Profit on ordinary activities before taxation	3	501,760	779,645
Taxation	5	(181,700)	(179,000)
		-----	-----
Profit for the year	10	320,060	600,645
		=====	=====

The company had no recognised gains or losses other than those disclosed in the profit and loss account, which relate entirely to continuing operations.

There are no differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents,

The notes on pages 5 to 9 form part of these accounts.

LLOYDS PREMISES INVESTMENTS LIMITED

Balance sheet at 31 December 2002

	Note	2002 £	2001 £
Fixed assets			
Land and buildings	6	6,187,201	6,291,013
		-----	-----
Current assets			
Other debtors	7	10,245	-
Cash at bank		696,296	280,996
		-----	-----
		706,541	280,996
		-----	-----
Creditors: amounts falling due within one year			
Amounts owed to parent undertaking		1,357,891	1,331,019
Amounts owed to other group undertakings		3,085	3,085
Other creditors and accruals	8	500	28,399
Taxation		181,700	179,000
		-----	-----
		1,543,176	1,541,503
		-----	-----
Net current liabilities		(836,635)	(1,260,507)
		-----	-----
Total assets less current liabilities		5,350,566	5,030,506
		=====	=====
Capital and reserves			
Called-up share capital	9	2	2
Profit and loss account	10	5,350,564	5,030,504
		-----	-----
Shareholder's funds (equity)	11	5,350,566	5,030,506
		=====	=====



A G Strang
Director

The notes on pages 5 to 9 form part of these accounts.

LLOYDS PREMISES INVESTMENTS LIMITED

Notes to the accounts

1. Accounting policies

a. Basis of preparation

The accounts are prepared under the historical cost convention, in compliance with the requirements of the Companies Act 1985 and in accordance with applicable accounting standards.

As permitted by Financial Reporting Standard 1 (revised), no cash flow statement is presented in these accounts, as the company is a wholly owned subsidiary of Lloyds TSB Group plc which presents such a statement in its own accounts. 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.

During the year the company adopted Financial Reporting Standard 19 (FRS 19) 'Deferred Tax'. The adoption has had no effect on the financial statements.

b. Fixed assets and depreciation

With effect from 1 January 2000, Lloyds TSB Group implemented Financial Reporting Standard 15 in respect of freehold and long leasehold buildings and as permitted the freehold and long leasehold buildings have been re-stated to historic cost and will depreciate on a straight-line basis over 50 years. Land is not depreciated.

Refurbishment projects are included at cost and depreciated over ten years from the date at which the asset becomes available for business use.

Furniture and fittings are depreciated on a straight-line basis over 10 years.

2. Turnover

Turnover comprises rental income from the company's properties in the United Kingdom earned from other group undertakings, net of VAT.

LLOYDS PREMISES INVESTMENTS LIMITED

Notes to the accounts (continued)

3. Profit on ordinary activities before taxation

	2002 £	2001 £
Profit before taxation is stated after charging:		
Auditors' remuneration	500	750
Depreciation of owned assets	103,813	103,813
	=====	=====

4. Directors' emoluments

No remuneration was paid or is payable by the company to the directors. The directors are employed by other companies in the Lloyds TSB Group and consider that their services to this company are incidental to their other activities within the group.

5. Taxation

	2002 £	2001 £
UK corporation tax at 30% (2001: 30%)	181,700	179,000
	=====	=====

A reconciliation of the current tax charge for the year to the charge that would result from applying the standard UK corporation tax rate to the profit before tax is given below:

Profit on ordinary activities at the standard rate of UK corporation tax of 30%	150,528	233,893
Rollover relief on property gain	-	(85,946)
Effects of depreciation	31,144	31,144
Other adjustments	28	(91)
	-----	-----
	181,700	179,000
	=====	=====

LLOYDS PREMISES INVESTMENTS LIMITED

Notes to the accounts (continued)

6. Fixed assets

	Land and buildings Long leasehold £	Total £
Cost at 1 January 2002	6,498,639	6,498,639
Cost at 31 December 2002	6,498,639	6,498,639
Accumulated depreciation at 1 January 2002	(207,625)	(207,625)
Disposals	-	-
Charge for the year	(103,813)	(103,813)
Accumulated depreciation at 31 December 2002	(311,438)	(311,438)
Net book amount at 31 December 2002	6,187,201	6,187,201
Net book amount at 31 December 2001	6,291,013	6,291,013

7. Other debtors

	2002 £	2001 £
Amounts owed by group undertaking	6,341	-
Prepayments	2,378	-
Other debtors	1,526	-
	10,245	-

8. Other creditors and accruals

	2002 £	2001 £
Accruals	500	750
VAT	-	27,649
	500	28,399

LLOYDS PREMISES INVESTMENTS LIMITED

Notes to the accounts (continued)

9. Called-up share capital

	2002 £	2001 £
Authorised ordinary shares of £1 each	100	100
	=====	=====
Issued and fully paid	2	2
	=	=

The company regarded by the directors as the ultimate parent company is Lloyds TSB Group plc, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Lloyds TSB Bank plc is the parent undertaking of the smallest such group of undertakings. Copies of the group accounts of both may be obtained from the company secretary's office, Lloyds TSB Group plc, 25 Gresham Street, London EC2V 7HN.

10. Profit and loss account

	2002 £
At 1 January	5,030,504
Profit for the year	320,060

At 31 December	5,350,564
	=====

11. Reconciliation of movements in shareholder's funds

	2002 £	2001 £
Profit for the year	320,060	600,645
Opening shareholder's funds	5,030,506	4,429,861
	-----	-----
Closing shareholder's funds	5,350,566	5,030,506
	=====	=====

LLOYDS PREMISES INVESTMENTS LIMITED

Notes to the accounts (continued)

12. Directors' interests

The interests of the directors in the capital of Lloyds TSB Group plc were:

	At 31 December 2002	At 1 January 2002
Ordinary shares of 25p each:		
H D C Stebbing	20,901	25,715
A G Strang	64,447	62,875

Options to acquire ordinary shares of 25p each:

	At 1 January 2002	Granted	During the year Exercised	At 31 December 2002
H D C Stebbing	15,531	5,186	1,078	19,639
A G Strang	70,459	60,476	-	130,935

None of the directors had any other interest in the capital of Lloyds TSB Group plc or its subsidiaries.

13. Date of approval

The directors approved the accounts on 15 October 2003.

LLOYDS PREMISES INVESTMENTS LIMITED

Independent Auditors' report to the member of Lloyds Premises Investments Limited

We have audited the financial statements set on pages 3 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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

The directors are responsible for ensuring that 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 responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 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.

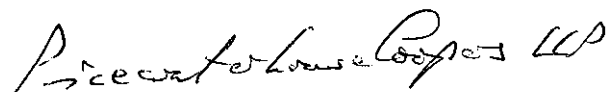
LLOYDS PREMISES INVESTMENTS LIMITED

Independent Auditors' report to the member of Lloyds Premises Investments Limited (continued)

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 the 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 at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Southampton

15 October 2003