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LLOYDS PREMISES INVESTMENTS LIMITED
REPORT AND ACCOUNTS 2000

MEMBER OF LLOYDS TSB GROUP



LLOYDS PREMISES INVESTMENTS LIMITED

Report and accounts 2000

Registered office

71 Lombard Street
London
EC3P 3BS

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 loss after taxation for the year ended 31 December 2000 was £354,915 (1999: profit £396,673) 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 8 in note 13 to the interests of the directors in the capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries.

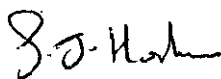
Policy on practice on payment of creditors

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 Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

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 2000, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 1985, is nil (1999: nil).

On behalf of the board



S J Hopkins
Secretary

5 October 2001

LLOYDS PREMISES INVESTMENTS LIMITED

Report of the auditors to the member of Lloyds Premises Investments Limited

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual reporting including, as described below, the financial statements. 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 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 keeping 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 in the UK by statute, the Auditing Practices Board and 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 UK 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 the information specified by law regarding directors' remuneration and transactions is not disclosed.

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.

LLOYDS PREMISES INVESTMENTS LIMITED

Report of the auditors to the member of Lloyds Premises Investments Limited (continued)

Basis of opinion (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 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 December 2000 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Bristol

5 October 2001

LLOYDS PREMISES INVESTMENTS LIMITED

Profit and loss account for the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover	2	700,038	870,675
Cost of sales		77,526	225,356
		-----	-----
Gross profit		622,512	645,319
Administrative expenses		(145,246)	(70,325)
		-----	-----
Loss on disposal of properties		477,266 (628,117)	574,994 -
		-----	-----
(Loss)/profit on ordinary activities before taxation	3	(150,851)	574,994
Taxation	5	(204,064)	(178,321)
		-----	-----
Retained (loss)/profit	11	(354,915)	396,673
		=====	=====

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

The notes on pages 5 to 8 form part of these accounts.

LLOYDS PREMISES INVESTMENTS LIMITED

Balance sheet at 31 December 2000

	Note	2000 £	1999 £
Fixed assets			
Land and buildings	6	6,394,826	6,973,000
		-----	-----
Current assets			
Debtors	7	139,841	69,570
Cash at bank		444,641	548,820
		-----	-----
		584,482	618,390
Creditors: amounts falling due within one year			
Amounts owed to parent undertaking		1,732,662	2,511,560
Amounts owed to other group undertakings		426,327	3,085
Other creditors and accruals	8	200,458	36,979
Taxation	5	190,000	173,936
		-----	-----
		2,549,447	2,725,560
Net current liabilities		(1,964,965)	(2,107,170)
		-----	-----
Total assets less current liabilities		4,429,861	4,865,830
		=====	=====
Capital and reserves			
Called-up share capital	10	2	2
Profit and loss account	11	4,429,859	4,865,828
		-----	-----
Shareholder's funds (equity)	12	4,429,861	4,865,830
		=====	=====



A G Strang
Director

The notes on pages 5 to 8 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.

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 original value and will depreciate on a straight-line basis over 50 years. Land is not depreciated.

Short leasehold premises are included at acquisition and refurbishment costs less accumulated depreciation, and are depreciated over the remaining term of the lease.

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.

c. Operating leases

The costs of operating leases are charged to the profit and loss account when incurred.

2. Turnover

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

LLOYDS PREMISES INVESTMENTS LIMITED

Notes to the accounts (continued)

3. (Loss)/profit on ordinary activities before taxation

	2000	1999
	£	£
Loss before taxation is stated after charging:		
Auditors' remuneration	-	450
Depreciation of owned assets	155,490	65,551
Operating leases on land and buildings	-	117,500
	<u>=====</u>	<u>=====</u>

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.

The number of directors to whom retirement benefits are accruing under defined benefit pension schemes is two (1999: two).

5. Taxation

	2000	1999
	£	£
UK corporation tax at 30% (1999: 30.25%)	190,000	173,936
Prior year adjustment	14,064	4,385
	<u>-----</u>	<u>-----</u>
	204,064	178,321
	<u>=====</u>	<u>=====</u>

6. Fixed assets

	Land and buildings		Total
	Long leasehold	Short leasehold	
	£	£	£
Cost at 1 January 2000	6,579,693	655,512	7,235,205
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Disposals	-	(655,512)	(655,512)
Premise restatement	(81,054)	-	(81,054)
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Cost at 31 December 2000	6,498,639	-	6,498,639
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Accumulated depreciation at 1 January 2000	-	(262,205)	(262,205)
Disposals	-	313,882	313,882
Charge for the year	(103,813)	(51,677)	(155,490)
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Accumulated depreciation at 31 December 2000	(103,813)	-	(103,813)
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net book amount at 31 December 2000	6,394,826	-	6,394,826
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net book amount at 31 December 1999	6,579,693	393,307	6,973,000
	<u>=====</u>	<u>=====</u>	<u>=====</u>

LLOYDS PREMISES INVESTMENTS LIMITED

Notes to the accounts (continued)

7. Debtors

	2000 £	1999 £
Amounts owed by group undertaking	139,841 =====	69,570 =====

8. Other creditors and accruals

	2000 £	1999 £
Accruals	178,750	5,634
VAT	21,708	31,345
	----- 200,458 =====	----- 36,979 =====

9. Operating lease commitments

The company has no annual commitments under leases which expire in excess of five years from 31 December 2000 (1999: £117,500).

10. Called-up share capital

	2000 £	1999 £
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, 71 Lombard Street, London EC3P 3BS.

11. Profit and loss account

	2000 £
At 1 January	4,865,828
Revaluation reserve release to profit and loss	(81,054)
Retained loss	(354,915)

At 31 December	4,429,859 =====

LLOYDS PREMISES INVESTMENTS LIMITED

Notes to the accounts (continued)

12. Reconciliation of movements in shareholder's funds

	2000 £	1999 £
(Loss)/profit for the year	(435,969)	396,673
Opening shareholder's funds	4,865,830	4,469,157
Closing shareholder's funds	<u>4,429,861</u>	<u>4,865,830</u>

13. Directors' interests

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

	At 31 December 2000	At 1 January 2000
Ordinary shares of 25p each:		
H D C Stebbing	29,787	10,284
A G Strang	96,068	100,869

Options to acquire ordinary shares of 25p each:

	At 1 January 2000	Granted	During the year Exercised	Lapsed *	At 31 December 2000
H D C Stebbing	26,216	4,731	17,905	506	12,536
A G Strang	25,032	20,018	-	-	45,050

* During the year these share options lapsed following termination of savings contracts linked to the staff sharesave option scheme, in accordance with the rules of the scheme.

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

14. Date of approval

The directors approved the accounts on 5 October 2001.