

B.C.H. LEASING LIMITED

**REPORT AND ACCOUNTS
30 SEPTEMBER 2000**

Registered office

51 Holdenhurst Road
Bournemouth BH8 8EP

Registered number

2682737

Directors

B P Back
F D Hallatt
P R Nestor-Sherman
A M Keogh
P S Sherman
R P Young

Company Secretary

M P Kilbee



Member of Lloyds TSB Group

B.C.H. LEASING LIMITED

Report of the directors

Principal Activity

The principal activity of the company is leasing.

Results and dividend

The profit after taxation for the year ended 30 September 2000 amounted to £241,812 as set out in the profit and loss account on page 4. An interim dividend of £150,000 has been paid.

Directors

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

The interests of the directors of the company at the end of the year in the capital of Lloyds TSB Group plc were:

Shares:

	At 30 September 2000	At 1 October 1999
F D Hallatt	1,776	1,127
P R Nestor-Sherman	2,553	5,776
P S Sherman	1,958	658
A M Keogh	984	-

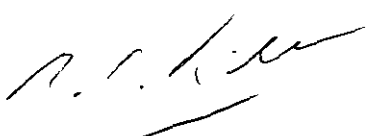
Options to acquire shares:

	At 1 October 1999	During the year			At 30 September 2000
		Granted	Exercised / Lapsed		
F D Hallatt	4,146	-	-	-	4,146
P R Nestor-Sherman	40,483	9,246	26,701	968 (i)	22,060
P S Sherman	2,949	1,767	623	449 (i)	3,644
A M Keogh	2,592	1,527	-	1,091 (i)	3,028

- (i) During the year, three directors applied for repayment of contributions under savings contracts as permitted by the rules of the relevant option scheme and those options lapsed.

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

By Order of the Board,


M. P. KILBEE
Secretary
20 July 2001

B.C.H. LEASING LIMITED

Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit of the company for that year. In preparing those accounts, 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 accounts; and
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

Report of the auditors To the members of B.C.H. Leasing Limited

We have audited the accounts on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described above, this includes responsibility for preparing the accounts, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICEWATERHOUSECOOPERS

Chartered Accountants
and Registered Auditors

Erskine House
68-73 Queen Street
EDINBURGH EH2 4NH
20 July 2001

B.C.H. LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	4,370,293	1,730,795
INTEREST PAYABLE	3	(1,234,710)	(1,025,159)
OTHER OPERATING CHARGES		(2,797,093)	(448,130)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	338,490	257,506
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	(96,678)	(63,746)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		241,812	193,760
DIVIDENDS		(150,000)	(180,000)
		91,812	13,760
RETAINED PROFIT BROUGHT FORWARD		16,268	2,508
RETAINED PROFIT CARRIED FORWARD		108,080	16,268

There are no recognised gains or losses other than the profit for the year and all operations are continuing.


The notes on pages 6 to 9.
form part of these accounts.

B.C.H. LEASING LIMITED

BALANCE SHEET

AT 30TH SEPTEMBER 2000

	<u>Notes</u> £	<u>2000</u> £	<u>1999</u>
FIXED ASSETS			
Operating lease assets	6	27,808,421	12,430,497
CURRENT ASSETS			
Debtors: due within one year	7	11,188,440	13,689,463
due after more than one year	7	753,191	4,790,420
		11,941,631	18,479,883
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(36,676,193)	(28,004,224)
NET CURRENT LIABILITIES		(24,734,562)	(9,524,341)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,073,859	2,906,156
PROVISIONS FOR LIABILITIES AND CHARGES	9	(2,781,000)	(2,080,000)
ACCRUALS AND DEFERRED INCOME	10	(184,777)	(809,886)
NET ASSETS		108,082	16,270
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	11	2	2
PROFIT AND LOSS ACCOUNT		108,080	16,268
SHAREHOLDERS' FUNDS		108,082	16,270


B. P. BACK
Director


P. S. SHERMAN
Director

The notes on pages 6 to 9
form part of these accounts.

B.C.H. LEASING LIMITED
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting Convention:

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with Financial Reporting Standard 1 is included in the accounts of the immediate parent company, M.E.V.C. Finance Limited.

(b) Income Recognition:

Income from leasing contracts is credited to the profit and loss account over the period of investment in proportion to the level of net funds invested.

(c) Depreciation of Operating Lease Assets:

Depreciation of operating lease assets is calculated so as to give a release of net income from these assets to the profit and loss account over the period of investment in the assets in proportion to the level of net funds invested.

(d) Deferred Taxation:

Deferred taxation is provided at appropriate rates of corporation tax in respect of timing differences where there is a reasonable probability that such taxation will become payable in the foreseeable future.

2. TURNOVER

Turnover represents the amount of leasing income earned under instalment finance arrangements.

During the year aggregate rentals receivable were:

	2000 £	1999 £
From finance lease contracts	2,679,376	4,993,850
From operating lease contracts	3,755,037	344,945

The cost of assets acquired during the year under finance lease contracts was £NIL (1999 £39,204).

3. INTEREST PAYABLE

On loans from group companies	1,234,710	1,025,159
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4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The following have been taken into account on arriving at the profit:

Audit fee	6,979	5,729
Directors' emoluments	-	-
Depreciation of operating lease assets	2,548,497	214,453
Gain on sale of operating lease assets	21,089	-
Bad and doubtful debts charge	10,719	18,947

B.C.H. LEASING LIMITED

NOTES TO THE ACCOUNTS

5. TAXATION	2000 £	1999 £
Current year:		
Corporation tax recoverable at 30% (1999, 30.5%)	(604,322)	(153,686)
Transfer to deferred taxation	701,000	216,945
	<hr/>	<hr/>
	96,678	63,259
Previous year adjustments:		
Corporation tax	153,686	(7,568)
Group relief	(153,686)	-
Deferred tax	-	8,055
	<hr/>	<hr/>
	<u>96,678</u>	<u>63,746</u>
6. OPERATING LEASE ASSETS		£
Cost:		
At 1 October 1999		12,644,950
Additions		18,140,270
Disposals		(282,310)
		<hr/>
At 30th September 2000		30,502,910
Depreciation:		
At 1 October 1999		214,453
Charge for year		2,548,497
Disposals		(68,461)
		<hr/>
At 30th September 2000		2,694,489
Net book value:		
At 30th September 2000		<u>27,808,421</u>
At 30th September 1999		<u>12,430,497</u>

B.C.H. LEASING LIMITED

NOTES TO THE ACCOUNTS

7. DEBTORS		<u>2000</u>		<u>1999</u>
	Due within <u>one year</u> £	Due after more than <u>one year</u> £	Due within <u>one year</u> £	Due after more than <u>one year</u> £
Trade debtors:				
Rentals receivable under leasing contracts	3,292,969	753,191	6,220,600	4,790,420
Amounts owed by other group companies	4,979,157	-	5,635,739	-
Other debtors	2,158,306	-	1,544,438	-
Corporation tax recoverable	604,322	-	288,686	-
Group relief	153,686	-	-	-
	<u>11,188,440</u>	<u>753,191</u>	<u>13,689,463</u>	<u>4,790,420</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2000</u> £	<u>1999</u> £
Trade creditors	6,359,537	5,001,044
Amounts owed to group companies	30,316,656	23,003,180
	<u>36,676,193</u>	<u>28,004,224</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES	£
Deferred taxation:	
Balance at 30th September 1999	2,080,000
Transfer from Profit and Loss Account	701,000
	<u>2,781,000</u>
Balance at 30th September 2000	

The amounts provided at 30th September 2000 and 1999 were the full potential liabilities and were attributable to accelerated capital allowances.

10. ACCRUALS AND DEFERRED INCOME	<u>2000</u> £	<u>1999</u> £
Unearned leasing income	<u>184,777</u>	<u>809,886</u>

B.C.H. LEASING LIMITED

NOTES TO THE ACCOUNTS

11. SHARE CAPITAL

Authorised:

1,000 Ordinary shares of £1 each

1,000

1,000

Allotted, issued and fully paid:

2 Ordinary shares of £1 each

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. A copy of its group accounts can be obtained from Lloyds TSB Group plc, 71 Lombard Street, London EC3P 3BS. M.E.V.C. Finance Limited is the parent undertaking of the smallest such group of undertakings. A copy of its group accounts can be obtained from M.E.V.C Finance Limited, Finance House, 51 Holdenhurst Road, Bournemouth BH8 8EP.

12. RELATED PARTY TRANSACTIONS

The company is exempt from reporting transactions with M.E.V.C. Finance Limited and its fellow subsidiary companies in accordance with Financial Reporting Standard 8 because it is wholly owned by that company. Lloyds UDT Finance Limited is an intermediate parent company which indirectly owns 75% of the company and is therefore a related party.

In the normal course of business the company enters into transactions with Lloyds UDT Finance Limited and its subsidiary company Lloyds UDT Limited as follows:-

	<u>2000</u> £	<u>1999</u> £
Interest payable on group borrowings -		
Lloyds UDT Finance Limited	1,234,710	1,025,159
Management charges - Lloyds UDT Limited	65,220	103,040
Net amounts payable to		
Lloyds UDT Finance Limited and its wholly owned subsidiaries	25,337,499	17,367,441

13. DATE OF APPROVAL

The directors approved the accounts on 20 July 2001.