

# Lloyds TSB Motordirect Limited

## Report and Accounts 2001

Registered office

71 Lombard Street  
London EC3P 3BS

Company number

2849105

Directors

J L Davies  
D K Potts  
M P Kilbee

Secretary

D A Saunders



# Report of the Directors

## Principal activity

The principal activity of the Company is the provision of motor vehicles and related financial services.

## Results

The profit and loss account on page 4 shows a profit attributable to shareholders for the year ended 31 December 2001 of £333,989 (2000: loss £3,726).

No dividend is proposed (2000: £nil).

## Directors

The names of the present directors of the Company, all of whom held office throughout the year, are shown on page 1.

Reference is made on page 6 in note 2 to the interests of the directors in the share and loan capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries.

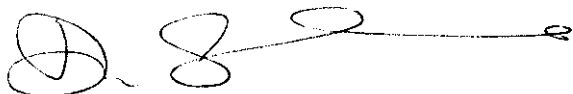
## Policy and practice on payment of creditors

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, No 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 as at 31 December 2001, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 1985, is nil.

On behalf of the board



D A Saunders  
Company Secretary

28 October 2002

# Report of the independent auditors to the members of Lloyds TSB Motordirect Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the accounting policies set out on page 6.

## Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report including, as described below, the financial statements. The United Kingdom Companies Act 1985 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 United Kingdom by statute, and the Auditing Standards issued by the Auditing Practices Board.

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 United Kingdom 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.

We read the directors' report contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

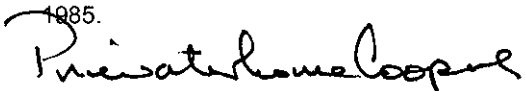
## Basis of audit opinion

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 affairs of the Company as at 31 December 2001 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  
One Kingsway  
Cardiff  
CF10 3PW  
25 October 2002

## Profit and loss account

31 December 2001

	Note	2001 £	2000 £
Turnover	4	10,790,268	50,022
Cost of sales		(10,136,350)	-
Interest payable	5	(47,877)	(5,591)
		606,041	44,431
Other operating charges		(136,445)	(43,753)
Profit on ordinary activities before taxation	4	469,596	678
Taxation on profit on ordinary activities	6	(135,607)	(4,404)
Profit/(loss) for the financial year	13	333,989	(3,726)

The above results relate to continuing operations.

The Company has no recognised gains and losses other than the profits and losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before tax and the profit for the year stated above and their historical cost equivalents.

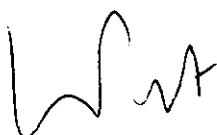
The notes on pages 6 to 10 form part of these financial statements.

# Balance sheet

31 December 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	7	586,131	279,167
<b>Current assets</b>			
Debtors: due within one year	8	1,789,830	8,666
due after more than one year	8	5,112,605	-
Cash		203,537	85,076
		<b>7,105,972</b>	<b>93,742</b>
Creditors: amounts falling due within one year	9	(1,339,816)	(372,915)
Net current assets/(liabilities)		<b>5,766,156</b>	<b>(279,173)</b>
Total assets less current liabilities		<b>6,352,287</b>	<b>(6)</b>
Creditors: amounts falling due after one year	10	(6,020,940)	-
Provisions for liabilities and charges	11	(984)	(3,620)
<b>Net (liabilities) / assets</b>		<b>330,363</b>	<b>(3,626)</b>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account	13	330,263	(3,726)
<b>Equity shareholders' funds</b>	14	<b>330,363</b>	<b>(3,626)</b>

The notes on pages 6 to 10 form part of these financial statements.



Director

# Notes to the financial statements

31 December 2001

## 1. Principal accounting policies

Accounting policies are unchanged from 2000, except that during the period the Company has implemented the requirements of Financial Reporting Standard 18 "Accounting Policies;" the effect of which has not been significant.

### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

### Cash flow statement

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.

### Income recognition

Income from instalment credit transactions and finance leases is credited to the profit and loss account in proportion to the funds invested so as to give a constant rate of return over each period. Income from operating leases is credited to the profit and loss account on a rentals receivable basis.

Income arising from vehicle sales is recognised when the vehicle is supplied to the customer.

### Commissions

Commission payable on new business is allocated to accounting periods over the life of agreements to produce a constant rate of charge on the outstanding balance. Commissions receivable are credited to the profit and loss account when earned.

### Leasing and instalment credit transactions

Assets leased to customers are classified as finance leases if the lease agreements transfer substantially all of the risks and rewards of ownership to the lessee; all other leases are classified as operating leases.

### Provisions for bad and doubtful debts

Loans and advances are written off where there is no realistic prospect of recovery. Specific provisions are made to reduce all impaired loans and advances to their estimated realisable values.

### 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 or receivable in the foreseeable future.

### Related party transactions

The exemption given under Financial Reporting Standard 8 "Related Party Transactions" from the requirement to disclose transactions with group companies has been adopted as the Company is a wholly owned subsidiary and the accounts of its ultimate holding company, Lloyds TSB Group plc are publicly available.

## 2. Directors' interests

The interests of the only director of the Company who was not also a director of Lloyds TSB Asset Finance Division Limited in the capital of the Lloyds TSB Group plc were:

Ordinary shares of 25p each	2001		2000
MP Kilbee	31,288		30,698
Options to subscribe for ordinary shares of 25p each	At 1 January 2001	During the year Granted    Exercised	At 31 December 2001
M P Kilbee	23,061	4,427       -	27,488

Mr Kilbee had no other interest in the share and loan capital of Lloyds TSB Group plc and its subsidiaries.

## Notes to the financial statements

31 December 2001

### 3. Directors and staff

The Company did not directly employ any persons during the year (2000: none), accounting and administrative services being provided by fellow subsidiary undertakings.

No remuneration was paid or is payable by the Company to its directors (£2000: £nil). The directors are employed by other companies within the Lloyds TSB Group and consider that their services to this Company are incidental to other activities within the group.

### 4. Profit on ordinary activities before taxation

	2001 £	2000 £
The profit before taxation is arrived at after taking into account after the following items:		
<b>Turnover</b>		
Operating lease income	226,872	50,022
Interest receivable from instalment credit agreements	166,844	-
Provision of motor vehicles	10,396,552	-
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<b>Charges</b>		
Depreciation	90,842	29,753
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Auditors' remuneration has been borne by the parent company.

### 5. Interest payable

This represents interest payable to the Company's immediate parent company.

### 6. Taxation on profit on ordinary activities

	2001 £	2000 £
Analysis of charge in the period		
Current taxation charged at 30%	138,243	784
Deferred taxation	(2,636)	3,620
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	135,607	4,404
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# Notes to the financial statements

31 December 2001

## 7. Tangible fixed assets

	Operating lease assets 2001 £
<b>Cost</b>	
1 January	308,920
Additions	397,806
31 December	706,726
<b>Depreciation</b>	
1 January	29,753
Charge for year	90,842
31 December	120,595
<b>Net book value</b>	
31 December 2001	586,131
31 December 2000	279,167

## 8. Debtors:

	2001 Due within one year £	2001 Due after more than one year £	2000 Due within one year £	2000 Due after more than one year £
Loans and advances to customers less provisions	727,398	5,112,605	-	-
Leasing rentals due	1,404	-	8,666	-
Amounts due from group undertakings	953,922	-	-	-
Other debtors	107,106	-	-	-
	1,789,830	5,112,605	8,666	-

## 9. Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts due to group undertakings	727,398	-
Corporation tax	138,243	784
Other taxation	36,878	4,248
Accruals and deferred income	437,297	367,883
	1,339,816	372,915

## 10. Creditors: amounts falling due after one year

	2001 £	2000 £
Amounts due to group undertakings	6,020,940	-



# Notes to the financial statements

31 December 2001

## 11. Provisions for liabilities and charges

The movement on the deferred tax liability during the year is as follows:

	2001 £	2000 £
Balance at 1 January	3,620	-
(Credited)/charged to profit and loss account	(2,636)	3,620
Balance at 31 December	984	3,620

The deferred tax liability at 31 December comprises:

	2001 £	2000 £
Accelerated capital allowances on fixed assets leased to customers	984	3,620

## 12. Called up share capital

	2001 £	2000 £
Authorised, issued, called up and fully paid: Ordinary shares of £1 each	100	100

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 Asset Finance Division Limited 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.

## 13. Profit and loss account

	2001 £	2000 £
At 1 January	(3,726)	-
Profit/(loss) for the financial year	333,989	(3,726)
At 31 December	330,263	(3,726)

## 14. Reconciliation of movements in equity shareholders' funds

	2001 £	2000 £
Profit/(loss) for the financial year	333,989	(3,726)
Increase/(decrease) in shareholders' funds	333,989	(3,726)
Opening shareholders' (deficit)/funds	(3,626)	100
Closing shareholders' funds/(deficit)	330,363	(3,626)

## Notes to the financial statements

31 December 2001

### 15. Capital commitments and contingencies

There were no contracted capital commitments or contingencies at the balance sheet date (2000: £nil).

### 16. Date of approval

The directors approved the accounts on 28 October 2002.