

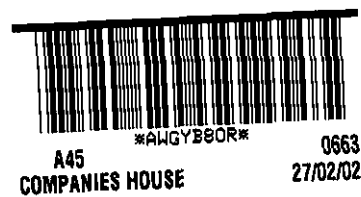
LEX VEHICLE PARTNERS LIMITED

Directors' Report and Financial Statements

31 December 2001

Registered Number 2965906

Registered Office:
Lex House
17 Connaught Place
LONDON
W2 2EL



Lex Vehicle Partners Limited

Directors' Report and Financial Statement

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Lex Vehicle Partners Limited

Directors

A Hay

J K Walden

R W Wastell

Secretary

P M Coles

Lex Vehicle Partners Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

Principal Activities

The principal activity of the company is to act as an agent obtaining vehicle leasing business.

Business Review

The profit for the year ended 31 December 2001 was £727,000 (2000: £798,000). The directors did not propose the payment of an interim dividend during the year (2000: £Nil) and, accordingly, a surplus of £727,000 (2000: £798,000) was recorded on the profit and loss account. The directors do not recommend the payment of a final dividend.

Directors and directors' interests.

The directors who held office during the year are shown on page 1.

None of the persons who were directors at 31 December 2001 had any interests in the shares of the company.

Donations

Charitable donations of £500 were made during the period.

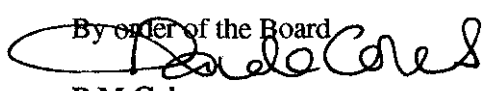
Prompt Payment Policy

The company is responsible for agreeing the terms and conditions under which transactions with suppliers are conducted. It is company policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all the relevant terms and conditions. The number of days billing outstanding at the end of the financial year is 24 days (2000: 29 Days)

Auditor

In accordance with Section 385 of the Companies Act 1985 a resolution for the re-appointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board


P M Coles
Secretary

7 February 2002

Lex Vehicle Partners Limited

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the auditors' report set out on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors in relation to 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 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Lex Vehicle Partners Limited

Independent auditors report to the members of Lex Vehicle Partners Limited

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 with the company 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 affairs of the company as at the 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Manchester

7 February 2002

Lex Vehicle Partners Limited

Profit and Loss Account

for the financial year ended 31 December 2001

	<i>Notes</i>	2001 £000	2000 £000
Turnover		6,118	6,411
Other operating charges		(5,074)	(5,267)
Profit on ordinary activities before taxation		1,044	1,144
Taxation on profit on ordinary activities	<i>3</i>	(317)	(346)
Result for the financial year	<i>6</i>	727	798

All of the above amounts are in respect of continuing operations.

The company has no recognised gains or losses other than the result for the period. A statement of movements on reserves is given in note 7.

The notes on pages 7 to 9 form an integral part of these financial statements.

Lex Vehicle Partners Limited

Balance Sheet

at 31 December 2001

	Notes	2001 £000	2000 £000
Assets			
Current assets			
Debtors	4	5,204	10,939
		<u>5,204</u>	<u>10,939</u>
Liabilities			
Capital and reserves			
Called up share capital	5	-	-
Profit and loss account	6	2,382	1,655
		<u>2,382</u>	<u>1,655</u>
Equity shareholders' funds	7	2,382	1,655
Creditors: amounts falling due within one year	8	2,822	9,284
		<u>5,204</u>	<u>10,939</u>

The financial statements on pages 5 to 9 were approved by the board of directors on 7 February 2002 and were signed on its behalf by:



J K Walden
Director

The notes on pages 7 to 9 form an integral part of these financial statements.

Lex Vehicle Partners Limited

Notes to the financial statements

1. Principal accounting policies

The financial statements have been prepared under the historical cost accounting convention and comply with applicable UK accounting standards and with the requirements of the Companies Act 1985.

Turnover

Turnover represents management fee and commission income from fellow subsidiary undertakings. The company operates in only one business segment in the United Kingdom and therefore a segmented report has not been prepared.

2. Administrative expenses including directors' and employees' remuneration

Lex Vehicle Leasing Limited provided management services to the company during the year. The charges it made include an element in respect of directors' and employees' remuneration, in addition to the fees in respect of the statutory audit, which it is not possible to identify separately. As such, the company had no employee costs.

3. Taxation on profit on ordinary activities

	2001 £000	2000 £000
Amounts relating to current year:		
Group relief based on the results for the year at 30% (2000: 30%)	317	345
Under/(over) provision in respect of prior years:		
Group relief	-	1
	<hr/> 317	<hr/> 346

4. Debtors

	2001 £000	2000 £000
Trade debtors	3,831	4,633
Amounts owed by immediate parent undertaking	875	5,840
Other debtors	11	437
Prepayments and accrued income	487	29
	<hr/> 5,204	<hr/> 10,939

Lex Vehicle Partners Limited

Notes to the financial statements *(continued)*

5. Called up share capital

	2001 £	2000 £
<i>Authorised</i>		
Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

6. Profit and Loss Account

	2001 £000	2000 £000
1 January	1,655	857
Result for the financial year	727	798
	<hr/>	<hr/>
31 December	2,382	1,655
	<hr/>	<hr/>

7. Reconciliation of movements in shareholders' funds

	2001 £000	2000 £000
1 January	1,655	857
	<hr/>	<hr/>
Result for the financial year	727	798
	<hr/>	<hr/>
31 December	2,382	1,655
	<hr/>	<hr/>

Lex Vehicle Partners Limited

Notes to the financial statements *(continued)*

8. Creditors: amounts falling due within one year

	2001 £000	2000 £000
Trade creditors	1,725	8,756
Group relief owed to fellow group undertakings	-	345
Corporation tax	662	-
Other creditors	113	1
Accruals and deferred income	322	182
	<hr/> 2,822 <hr/>	<hr/> 9,284 <hr/>

9. Parent undertaking

The parent undertaking is Lex Vehicle Leasing (Holdings) Limited, which is registered in England and Wales.

The joint venture companies Lex Service PLC and HBOS plc, which are both registered in England and Wales, are the ultimate parent undertakings of Lex Vehicle Leasing (Holdings) Limited.

The company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose related party transactions with undertakings controlled within the group.

Copies of the financial statements of HBOS PLC can be obtained from The Secretary, HBOS PLC, The Mound, Edinburgh, EH1 1YZ.

Copies of the financial statements of Lex Service PLC and Lex Vehicle Leasing (Holdings) Limited can be obtained from The Secretary, Lex Service PLC, Lex House, 17 Connaught Place, London W2 2EL.