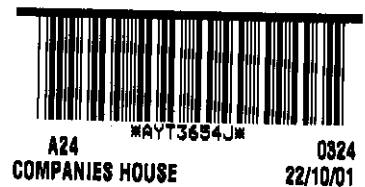


3925002

HILL SAMUEL ESOP TRUSTEES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2000



HILL SAMUEL ESOP TRUSTEES LIMITED

Registered Number: 3925002

Registered Office: 71 Lombard Street
London
EC3P 3BS

Directors: E S Battey
S J T Davies
G D Downs
K E Moss
J Parker
R M Richards
T L Slattery

Secretary: S J Hopkins

HILL SAMUEL ESOP TRUSTEES LIMITED

Report of the directors

The directors submit their report and the audited financial statements for the period ended 31 December 2000.

Date of incorporation

The company was incorporated on 14 February 2000.

Principal activities and results

The principal activity of the company is to act as trustees to employee benefit schemes.

The profit for the period after taxation was £20,378 as shown in the profit and loss account on page 5.

Dividend

The directors do not propose a dividend for the period.

Directors

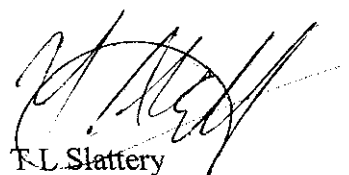
The names of the present directors of the company are shown on page 1.

The following changes in directors have taken place during the period or since 1 January 2001:

	<u>Appointed</u>	<u>Resigned</u>
Combined Nominees Limited	14 February 2000	15 March 2000
Combined Secretarial Services Limited	14 February 2000	15 March 2000
A R Jesseman	15 March 2000	31 July 2001
J Parker	15 March 2000	
G C Sharp	15 March 2000	31 July 2001
K E Moss	3 November 2000	
T L Slattery	3 November 2000	
E S Battey	2 August 2001	
S J T Davies	2 August 2001	
G D Downs	2 August 2001	
R M Richards	2 August 2001	

Reference is made on page 8 in note 4 to the directors' interests in the capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries.

On behalf of the board


T.L. Slattery
Director

16th October 2001

HILL SAMUEL ESOP TRUSTEES LIMITED

Report of the auditors to the member of Hill Samuel Esop Trustees Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report 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 error and none compliance with law and other regulations.

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 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.

HILL SAMUEL ESOP TRUSTEES LIMITED

Report of the auditors to the member of Hill Samuel Esop Trustees 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 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 as at 31 December 2000 and profit for the period then ended have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Twenty Two Colomberie
St. Helier
Jersey
JE1 4XA

16th October 2001

HILL SAMUEL ESOP TRUSTEES LIMITED

Profit and loss account

For the period ended 31 December 2000

	Note	14.2.2000 to 31.12.2000 £
Fees	1	38,531
Administrative expenses		<u>9,420</u>
Profit on ordinary activities before taxation	2	29,111
Taxation on profit on ordinary activities	5	<u>8,733</u>
Profit on ordinary activities after taxation		<u>20,378</u>
Profit retained for the financial period		<u>20,378</u>

The company had no recognised gains or losses other than the profit for the period and therefore no separate statement of total recognised gains and losses has been presented.

All income and expenditure arises from continuing activities.

The financial statements have been prepared under the historical cost convention.

The notes on pages 7 to 10 form part of these financial statements.

HILL SAMUEL ESOP TRUSTEES LIMITED

Balance sheet

As at 31 December 2000

	Note	2000 £
Current assets		
Debtors	6	35,651
Cash at bank	7	<u>3,819</u>
		39,470
Creditors: amounts falling due within one year		
Creditors and accruals	8	11,670
Amounts due to group companies	9	<u>7,420</u>
		19,090
Total assets less current liabilities		<u><u>20,380</u></u>
Share capital and reserves		
Called-up share capital	10	2
Profit and loss account	11	<u>20,378</u>
Shareholder's funds (equity)	12	<u><u>20,380</u></u>

The financial statements were approved by the board of directors on
16th October 2001 and are signed on its behalf by



T L Slattery
Director

The notes on pages 7 to 10 part of these financial statements.

HILL SAMUEL ESOP TRUSTEES LIMITED

Notes to the financial statements

1. Accounting policies

- (a) **Basis of preparation:** The accounts have been prepared under the historical cost convention, in compliance with the Companies Act 1985 and in accordance with applicable UK accounting standards. The company is exempt from preparing a cash flow statement as a consolidated cash flow statement prepared in accordance with the requirements of Financial Reporting Standard 1 (Revised 1996) is included in the accounts of its ultimate parent undertaking. 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) **Fees:** This represents amounts due in respect of services provided during the period, excluding value added tax.
- (c) **Set up cost:** These costs have been borne by a fellow subsidiary.

2. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	14.2.2000 to 31.12.2000 £
Auditors' remuneration	2,000

3. Directors' emoluments

No remuneration was paid or is payable by the company to the directors. 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.

HILL SAMUEL ESOP TRUSTEES LIMITED

Notes to the financial statements (continued)

4. Directors' interests

The interests, all beneficial, of the directors at the end of the period in the capital of Lloyds TSB Group plc and its subsidiaries were:

Ordinary shares of 25p each:

	At 31 December 2000	At 1 January 2000 or later date of appointment
Combined Nominees Limited	-	-
Combined Secretarial Services Limited	-	-
A R Jesseman	46,220	36,674
K E Moss	4,943	5,107
J Parker	19,241	18,850
G C Sharp	47,367	45,092
T L Slattery	14,429	14,429

At the end of the period, Mr Jesseman also had a non-beneficial interest in 50,000 shares.

Options to acquire ordinary shares of 25p each:

	At 1 January 2000 or later date of appointment	During the year or since later date of appointment		At 31 December 2000
		Granted	Exercised/ lapsed	
Combined Nominees Limited	-	-	-	-
Combined Secretarial Services Limited	-	-	-	-
A R Jesseman	51,211	-	8,112	43,099
K E Moss	4,670	-	336	4,334
J Parker	8,664	1,840	1,512*	8,992
G C Sharp	19,916	745	-	20,661
T L Slattery	40,200	-	-	40,200

* 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 interests in the capital of Lloyds TSB Group plc or its subsidiaries.

HILL SAMUEL ESOP TRUSTEES LIMITED

Notes to the financial statements (continued)

5. Taxation

2000
£

UK corporation tax 8,733

The charge for tax on the profit for the period is based on a UK corporation tax rate of 30%.

6. Debtors

2000
£

Loan from Lloyds TSB Bank plc 2
Accounts receivable 2,644
Prepayments and accrued income 33,005
35,651
=====

The loan is interest free, unsecured and repayable on demand

7. Cash at bank

Cash at bank comprises deposits with Lloyds TSB Bank plc.

8. Creditors and accruals:

2000
£

VAT payable 937
Corporation tax 8,733
Accruals 2,000
11,670
=====

9. Amounts due to group companies

2000
£

Amount owed to Lloyds TSB Bank plc 7,420
=====

HILL SAMUEL ESOPS TRUSTEES LIMITED

Notes to the financial statements (continued)

10. Called-up share capital

	2000 £
Authorised: 100 ordinary shares of £1 each	100 ==
Allotted, issued and fully paid: 2 shares of £1 each	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 prepared 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 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 £
Retained profit for the financial period	20,378 20,378 =====

12. Shareholder's funds (equity)

There are no movements in shareholder's funds other than those set out in the profit and loss account on page 5.