

LLOYDS TSB GROUP PENSION TRUST (NO.1) LIMITED

REPORT AND ACCOUNTS 2009

Registered office

25 Gresham Street
London EC2V 7HN

Registered number
121965

Directors

M E Fairey (Chairman)

R C Carefull

K Cullup

G W Francis

B G C Jackson

M J P Jones

T J Nall

H Rose

N C Smith

E St C Stobart

The Law Debenture Pension Trust Corporation p l c

Secretary

R A Connor

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LLOYDS TSB GROUP PENSION TRUST (NO.1) LIMITED

Report of the directors

Activities and results

The company is the sole trustee of the Lloyds TSB Group Pension Scheme No 1

During the year ended 31 December 2009 the company did not trade or incur any liabilities and consequently has made neither profit nor loss

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 year

	Appointed	Resigned
L G W Pearse		19 November 2009
G W Francis	19 November 2009	

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union The financial statements are required by law to 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 period

The directors consider that in preparing the financial statements on pages 4 to 7, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards, which they consider applicable have been followed

The directors have responsibility for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company which enables them to ensure that the financial statements comply with the Companies Act 2006 They have a 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

Auditors and the disclosure of information to auditors

As required by section 418 of the Companies Act 2006, each of the directors in office at the date of this report confirms that, as far as he or she knows, there is no relevant audit information of which the auditors are unaware and he or she has taken all reasonable steps to make himself or herself aware of such information and to establish that the auditors are aware of it

On behalf of the board



R A Connor
Secretary

14 June

2010

LLOYDS TSB GROUP PENSION TRUST (NO.1) LIMITED

Independent auditors' report to the member of Lloyds TSB Group Pension Trust (No.1) Limited

We have audited the financial statements of Lloyds TSB Group Pension Trust (No 1) Limited for the year ended 31 December 2009 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

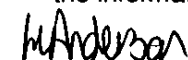
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2009,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Report is consistent with the financial statements.



*Hamish Anderson, Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh, Scotland*

14 June 2010

LLOYDS TSB GROUP PENSION TRUST (NO.1) LIMITED

Balance sheet
at 31 December 2009

	Note	2009 £'000	2008 £'000
Non-Current assets			
Investments	5	-	-
Current assets			
Amount owed by Lloyds TSB Bank plc	3	901	901
Net assets		<u>901</u>	<u>901</u>
Equity			
Share capital	4	901	901
Total equity		<u>901</u>	<u>901</u>

The directors approved the accounts on 14 June 2010


M E Fairey
Chairman

The accompanying notes are an integral part of the financial statements

LLOYDS TSB GROUP PENSION TRUST (NO.1) LIMITED

Notes to the financial statements

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The financial statements have been prepared under the historical cost convention, in compliance with the requirements of the Companies Act 2006 and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted by the European Union. There are no accounting policies where the use of assumptions and estimates are determined to be significant to the financial statements.

These separate financial statements contain information about the company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under IAS 27 Consolidated and Separate Financial Statements from the requirement to prepare consolidated financial statements. The company and its subsidiaries are included in the consolidated financial statements of the company's ultimate parent company.

A statement of comprehensive income, a statement of changes in equity and a statement of cash flows are not presented in these financial statements as these would show nil amounts for the current and preceding financial years.

2. Results

During the year ended 31 December 2009 the company did not trade, or incur any liabilities and consequently has made neither profit nor loss (2008: £nil).

Auditors' fees of £1,000 in both 2009 and 2008 were borne by Lloyds TSB Bank plc.

3. Current assets: amounts owed by other group company

	2009 £'000	2008 £'000
Owed by parent company		
At 1 January 2009 and 31 December 2009	<u>901</u>	<u>901</u>
Representing Lloyds TSB Bank plc		

No provisions have been recognised in respect of amounts owed by other group companies.

4. Share capital

	2009 £'000	2008 £'000
Authorised 1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
Allotted and issued fully paid 901,000 ordinary shares of £1 each	<u>901</u>	<u>901</u>

LLOYDS TSB GROUP PENSION TRUST (NO.1) LIMITED

Notes to the financial statements (continued)

5. Investments

The company has a 50% interest in Lloyds TSB Group Pensions Property (Guernsey) Limited ("the Guernsey Company"), a company which is incorporated in Guernsey. The Guernsey Company is the General Partner to LTGP Limited Partnership Incorporated, a Guernsey Limited Partnership, through which Lloyds TSB Group Pension Scheme No 1 ("the Scheme") invests in property. The General Partner undertakes all the corporate administrative functions of LTGP Limited Partnership Incorporated. The Guernsey Company, via its subsidiary nominee companies, holds the legal title to all the property investments in the Scheme.

The company holds "B" interests in Lloyds TSB Pension ABCS (No 1) LLP (the "LLP"), a limited liability partnership entered into between the company and Lloyds TSB Bank plc. The partnership interest provides the Scheme with a fixed monthly income stream to the end of 2014, a guarantee from the LLP for the payment of deficit contributions due to the Scheme under the recovery plan and schedule of contributions, and a limited guarantee in respect of any statutory debt arising on the winding-up of the Scheme. The business and affairs of the LLP are managed by a management committee, observed by a company representative. The company has rights to appoint members to the management committee in prescribed circumstances.

6. Related party transactions

The company is incorporated and domiciled in the United Kingdom. The company's immediate parent company is Lloyds TSB Bank plc. The company regarded by the directors as the ultimate parent company is Lloyds Banking Group plc (formerly Lloyds TSB Group plc), a limited liability company incorporated and domiciled in Scotland, 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 companies may be obtained from the Company Secretary's office, Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN.

The company's related parties include other companies in the Lloyds Banking Group, pension schemes of the company's ultimate parent company and the company's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, which is determined to be the company's directors.

During the year £179,750 was payable to the directors in respect of their services to the company (2008 £73,500), of which £30,375 was waived (2008 £21,750). The emoluments of the directors were borne by the Lloyds TSB Group Pension Scheme No 1, as permitted by the rules of the scheme. There were no other transactions between the company and key management personnel during the current or preceding year.

Those key management personnel who are employed by other companies in the Lloyds Banking Group consider that their services to the company are incidental to their other activities within the group.

LLOYDS TSB GROUP PENSION TRUST (NO.1) LIMITED

7. Financial risk management

The directors are responsible for establishing a framework for evaluating, measuring, monitoring and controlling risk. They are responsible for ensuring that the risks within the company are identified, assessed, monitored and controlled. These controls and procedures, where relevant, comply with Lloyds Banking Group policies and standards.

The company's activities may expose it to credit risk, which is the risk that a counterparty fails to meet its contractual obligations. However, the only amounts receivable are owed by the company's parent, which are non-interest bearing and repayable on demand. In view of the nature of the counterparty, the directors are satisfied that credit risk is negligible and place reliance on the group's procedures and controls for ensuring that the parent is able to settle the amount it owes as and when required.

The fair value of amounts owed by the parent is approximately equal to the carrying amount.