

UDT LIMITED
REPORT AND ACCOUNTS 2000

Registered office

71 Lombard Street
London EC3P 3BS

Registered number

646591

Directors

J L Davies (Chairman)
D K Potts
M P Kilbee

Company Secretary

R A Connor



Member of Lloyds TSB Group

UDT LIMITED

Report of the directors

Principal activity

The principal activity of the company is leasing.

Result and dividend

The profit after taxation for the year ended 29 February 2000 amounted to £228,816 as set out in the profit and loss account on page 4. An interim dividend of £235,000 will be paid.

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 or since the balance sheet date:

	Appointed	Resigned
P F Hook		31.12.1999
J M Bury	12.04.1999	14.04.2000
J L Davies	01.01.2000	
D K Potts	04.05.2000	

The interests of the only director of the company at the end of the year who was not also a director of Lloyds UDT Finance Limited in the capital of Lloyds TSB Group plc were:

Shares:

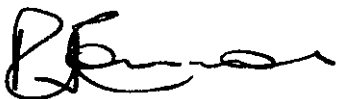
	At 29 February 2000	At 1 March 1999
M. P. Kilbee	30,077	32,271

Options to acquire shares:

	At 1 March 1999	During the year		At 29 February 2000
		Granted	Exercised	
M. P. Kilbee	12,146	4,000	-	16,146

Mr Kilbee did not have any other interest in the capital of Lloyds TSB Group plc or its subsidiaries.

On behalf of the board



R A Connor
Company Secretary
30 November 2000

UDT 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 member of UDT 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.

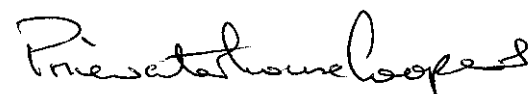
Basis of audit opinion

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 29 February 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

3 November 2000

UDT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29 FEBRUARY 2000


	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	4,405,179	3,453,582
OTHER OPERATING CHARGES		(1,666,183)	(1,182,685)
INTEREST PAYABLE	3	(2,414,618)	(2,021,782)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	324,378	249,115
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	(95,562)	(56,453)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		228,816	192,662
DIVIDEND		(235,000)	(190,000)
		(6,184)	2,662
RETAINED PROFIT BROUGHT FORWARD		9,354	6,692
RETAINED PROFIT CARRIED FORWARD		3,170	9,354

There are no recognised gains and 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.

UDT LIMITED
BALANCE SHEET
AT 29 FEBRUARY 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
FIXED ASSETS			
Operating lease assets	6	6,634,465	5,712,673
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors : due within one year	7	26,530,621	19,945,652
due after more than one year	7	40,524,152	30,015,637
		<hr/>	<hr/>
		67,054,773	49,961,289
CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	8	(63,298,275)	(47,292,502)
		<hr/>	<hr/>
NET CURRENT ASSETS		3,756,498	2,668,787
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,390,963	8,381,460
PROVISIONS FOR LIABILITIES AND CHARGES	9	(2,852,000)	(3,245,000)
ACCRUALS AND DEFERRED INCOME	10	(7,535,593)	(5,126,906)
		<hr/>	<hr/>
NET ASSETS		3,370	9,554
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	11	200	200
PROFIT AND LOSS ACCOUNT		3,170	9,354
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		3,370	9,554
		<hr/> <hr/>	<hr/> <hr/>



D. K. POTTS
Director

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

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 its ultimate holding company, Lloyds TSB Group plc.

The company is exempt from reporting intra-group related party transactions in accordance with Financial Reporting Standard 8 because it is wholly owned by Lloyds UDT Finance Limited.

(b) Income Recognition - Finance Leases:

Leasing income 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 and operating leases.

During the year aggregate receivables were :	<u>2000</u> £	<u>1999</u> £
From finance lease contracts	19,834,476	16,173,631
From operating lease contracts	2,132,638	1,145,389

The cost of assets acquired during the year under finance lease contracts was £31,651,836 (1999, £22,939,557)

3. INTEREST PAYABLE

	<u>2000</u> £	<u>1999</u> £
On loans from group company	<u>2,414,618</u>	<u>2,021,782</u>

UDT LIMITED

NOTES TO THE ACCOUNTS

4.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>2000</u> £	<u>1999</u> £
	The following have been taken into account in arriving at the profit:		
	Directors' emoluments	<u>-</u>	<u>-</u>
	Depreciation of operating lease assets	<u>928,270</u>	<u>675,301</u>
	Bad and doubtful debts – charge/(credit)	<u>179,331</u>	<u>(63,311)</u>
	Loss on sale of operating lease assets	<u>213,766</u>	<u>3,758</u>
<p>No remuneration was paid or is payable by the company to the directors. The directors are employed by other companies in the Lloyds UDT Finance group and consider that their services to this company are incidental to their other activities within the group.</p> <p>Other operating charges include a management fee payable to the immediate parent company. Auditors' remuneration has been borne by the immediate parent company.</p>			
5.	TAXATION	<u>2000</u> £	<u>1999</u> £
	Current year:		
	Corporation tax payable at 30.08 % (1999: 31%)	488,562	771,452
	Transfer from deferred taxation	(393,000)	(715,000)
		<u>95,562</u>	<u>56,452</u>
	Prior year:		
	Corporation tax	-	1
		<u>95,562</u>	<u>56,453</u>
6.	OPERATING LEASE ASSETS		£
	Cost:		
	At 28 February 1999		6,385,571
	Additions		2,805,113
	Disposals		(1,208,668)
			<u>7,982,016</u>
	At 29 February 2000		7,982,016
	Depreciation:		
	At 28 February 1999		672,898
	Charge for year		928,270
	Disposals		(253,617)
			<u>1,347,551</u>
	At 29 February 2000		1,347,551
	Net book value at 29 February 2000		<u>6,634,465</u>
	Net book value at 28 February 1999		<u>5,712,673</u>

UDT LIMITED

NOTES TO THE ACCOUNTS

7. DEBTORS	<u>2000</u>		<u>1999</u>	
	Due within one year £	Due after more than one year £	Due within one year £	Due after more than one year £
Trade debtors:				
Rentals receivable under leasing contracts, less provisions	22,689,646	40,524,152	16,741,611	30,015,637
Sundry debtors	3,840,975	-	3,204,041	-
	<u>26,530,621</u>	<u>40,524,152</u>	<u>19,945,652</u>	<u>30,015,637</u>

8. CREDITORS: amounts falling due within one year	<u>2000</u> £	<u>1999</u> £
Amounts owed to parent and fellow subsidiary companies	59,802,096	44,038,113
Trade creditors	870,966	1,266,487
Dividend payable	235,000	190,000
Other creditors	1,901,651	1,026,450
Corporation Tax	488,562	771,452
	<u>63,298,275</u>	<u>47,292,502</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES	£
Deferred Tax:	
Balance at 28 February 1999	3,245,000
Transferred to Profit and Loss Account	(393,000)
	<u>2,852,000</u>
Balance at 29 February 2000	

The amounts provided at February 2000 and 1999 are the full potential liabilities and are attributable to accelerated capital allowances.

10. ACCRUALS AND DEFERRED INCOME	<u>2000</u> £	<u>1999</u> £
Unearned leasing income	<u>7,535,593</u>	<u>5,126,906</u>

UDT LIMITED

NOTES TO THE ACCOUNTS

11.	CALLED UP SHARE CAPITAL	<u>2000</u> £	<u>1999</u> £
	Authorised, allotted, issued and fully paid: 200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>

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 UDT Finance 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.

12. DATE OF APPROVAL

The directors approved the accounts on **30** November 2000.