

THIRD ROODHILL LEASING LIMITED

FINANCIAL STATEMENTS

28 SEPTEMBER 2000

REGISTERED NUMBER 894567



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Registered Number 894567

THIRD ROODHILL LEASING LIMITED

Directors' Report

The directors present their report and financial statements for the year ended 28th September 2000.

Trading Operations

The principal activity of the company is the provision of finance by the leasing of capital equipment and assets.

Review of Trade

The results for the year are set out in the profit and loss account on page 4. New equipment leased in the year had a value of £280,094 (1999: £810,192)

Dividend

The directors recommend that no dividend be paid and that the profit for the year of £250,323 be transferred to reserves.

Directors

The directors of the company during the year were:

E.J.Fairweather
A.Kenyon
W.J.Marper
M.J.Woodward
D.A.Dickman
R.T.Goddard

None of the directors had a beneficial interest in the company.

At 1st October 1999 Mr. W.J. Marper held 11,042 £1 9.25% non cumulative irredeemable preference shares in the company's immediate holding company, The Co-operative Bank p.l.c. These were still held at 28th September 2000.

No other directors had a beneficial interest in any shares in The Co-operative Bank p.l.c. or its group companies or in Co-operative Group (CWS) Limited which is the ultimate holding organisation.

Subsequent Events

No significant events have occurred since the conclusion of the financial year.

Future Prospects

The company is expected to continue to develop its business in so far as is consistent with group plans.

THIRD ROODHILL LEASING LIMITED

Report of the Directors

Statement of Directors' responsibilities

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 period. 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;
- 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 maintaining 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.

On behalf of the board



M A Lees
Secretary

Registered Office

P O Box 101
1 Balloon Street
Manchester
M60 4EP

29 March 2001

AUDITOR'S REPORT TO THE MEMBERS OF THIRD ROODHILL LEASING LIMITED

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the director's report and, as described on page 2, 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 the company's affairs at 28 September 2000 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

30 March 2001

THIRD ROODHILL LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 SEPTEMBER 2000

	Notes	<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
TURNOVER - Continuing operations	2	3,083,069	3,449,180
Finance and trading costs		<u>(2,027,621)</u>	<u>(2,329,984)</u>
GROSS PROFIT		1,055,448	1,119,196
Administration expenses		<u>368,918</u>	<u>(273,256)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,424,366	845,940
Tax on profit on ordinary activities	4	<u>(1,174,043)</u>	<u>(199,567)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>250,323</u>	<u>646,373</u>

Movements in profit and loss account reserves are shown in note 11.

There were no recognised gains or losses other than the profit arising on ordinary activities after taxation for this year and the profit on the previous year.

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

THIRD ROODHILL LEASING LIMITED

BALANCE SHEET

AS AT 28 SEPTEMBER 2000

	Notes	<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
CURRENT ASSETS			
Debtors : Amounts falling due within one year	5	2,636,687	1,725,886
Debtors : Amounts falling due after more than one year	5	<u>27,508,657</u>	<u>29,953,104</u>
		30,145,344	31,678,990
Creditors : Amounts falling due within one year	6	<u>(304,708)</u>	<u>(850,752)</u>
NET CURRENT ASSETS		29,840,636	30,828,238
Creditors: Amounts falling due after more than one year	7	(24,751,388)	(26,845,986)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation	8	(2,981,426)	(2,117,507)
Lease Earnings Equalisation Reserve	9	<u>(155,344)</u>	<u>(162,590)</u>
		<u>1,952,478</u>	<u>1,702,155</u>
CAPITAL AND RESERVES			
Called up Share Capital	10	100	100
Profit and Loss Account	11	<u>1,952,378</u>	<u>1,702,055</u>
Shareholders' Funds	12	<u>1,952,478</u>	<u>1,702,155</u>

The accounts were approved by the board of directors on 29 March 2001.

E J FAIRWEATHER
DIRECTOR

A KENYON
DIRECTOR

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

THIRD ROODHILL LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- b) The effects of events relating to the year ended 28 September 2000 which occurred before 29 March 2001, the date of approval of the financial statements by the board of directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 28 September 2000 and of the results for the year ended on that date.
- c) The company is exempt from the requirement to include a cash flow statement as it is a wholly owned subsidiary of The Co-operative Bank p.l.c., which is established under the law of a member state of the European Community and publishes a consolidated cash flow statement for the group.

Basis of Preparation

- d) The financial statements have been prepared on a going concern basis.

Leasing Earnings

- e) Assets leased to customers under finance leases are valued at cost less accumulated depreciation and are disclosed as debtors.
Income from finance leased assets is credited to the profit and loss account in proportion to the funds invested in the asset.
Depreciation is calculated to write off the cost of assets over the primary term of the lease and represents the full amount of lease payments due in the period, less any amounts credited to the profit and loss account.

For certain contracts, changes in the rate of Corporation Tax give rise to taxation benefits which are passed on to the lessees as a reduction in rental payable. A provision for the reduction in lease receivables is charged to profit before tax and the tax benefit reflected as a reduced tax charge. The provision is released to profit over the period of the contract.

Deferred Taxation

- f) Provision is made under the liability method for taxation on timing differences between profits stated in the financial statements and profits computed for taxation purposes where there is a reasonable probability that such taxation will become payable in the foreseeable future.

Bad Debts

- g) The amount charged against operating profit for bad debts comprises specific provision against identifiable losses.

Related Party Transactions

- h) The company is exempt from the requirement to include related party transactions as it is a wholly owned subsidiary of The Co-operative Bank p.l.c. which is established under the law of a member state of the European Community and whose financial statements are publicly available.

THIRD ROODHILL LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Contd)

YEAR ENDED 28 SEPTEMBER 2000

2. Turnover

The turnover and profit before taxation are attributable to one activity, the provision of finance within the United Kingdom. Turnover represents finance charges earned on leasing agreements, together with lease earnings equalisation and income from associated services. Rentals receivable from UK customers through finance leases, excluding VAT, were £4,906,755 (1999 : £5,536,773) for the year.

3. Profit on Ordinary Activities before Taxation

The profit on ordinary activities before taxation is stated after (crediting)/charging:-

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Interest on loans from immediate holding company	2,027,621	2,329,984
Lease Earnings Equalisation Reserve (note 9)	(7,245)	(7,515)

The company has no employees. Administration expenses include a management charge for the services of its immediate holding company and associated auditors remuneration.

Also included within administration expenses is an amount of £445,035 which relates to a bad debt release (1999: charge £193,532).

4. Tax on Profit on Ordinary Activities

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Corporation Tax charge at 30%	353,297	311,698
Corporation Tax - prior year	(43,173)	(20,404)
Deferred Taxation charge/(credit)	<u>863,919</u>	<u>(91,727)</u>
	<u>1,174,043</u>	<u>199,567</u>

THIRD ROODHILL LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 28 SEPTEMBER 2000

5. Debtors

2000

1999

	Due within One Year	Due after One Year	Total	Due within One Year	Due after One Year	Total
			£			£
Finance Lease Debtors:						
Gross Rentals	4,631,935	49,216,783	53,848,718	4,055,313	53,926,867	57,982,180
Less Unearned Finance Charges	(2,321,780)	(21,708,126)	(24,029,906)	(2,954,070)	(23,973,763)	(26,927,833)
	2,310,155	27,508,657	29,818,812	1,101,243	29,953,104	31,054,347
Other Debtors	5,105	-	5,105	624,643	-	624,643
Loans to Customers	321,427		321,427	-		-
	2,636,687	27,508,657	30,145,344	1,725,886	29,953,104	31,678,990

New equipment leased in the year had a value of £280,094 (1999: £810,192).

6. Creditors

Amounts falling due within one year:

	<u>2000</u>	<u>1999</u>
	£	£
Trade Creditors	59,326	22,626
VAT	100,219	116,988
Corporation Tax	<u>145,163</u>	<u>711,138</u>
	304,708	850,752

THIRD ROODHILL LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 28 SEPTEMBER 2000

7. Creditors

Amounts falling due after more than one year:

	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
Deposit	14,662	11,600
Due to immediate holding company	24,736,726	26,834,386
	<hr/>	<hr/>
	24,751,388	26,845,986
	<hr/>	<hr/>

The Co-operative Bank p.l.c., the immediate holding company, has agreed not to require repayments of sums owing to it before 28 September 2001 at the earliest.

8. Deferred Taxation

	<u>Capital allowances on</u> <u>Assets Leased to Customers</u>	
	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
At 1 October 1999	2,117,507	2,209,234
Charge/(credit) to Profit and Loss account	<u>863,919</u>	<u>(91,727)</u>
Liability at 28 September 2000	<hr/> 2,981,426	<hr/> 2,117,507

The maximum potential liability for deferred taxation, all of which arises from accelerated capital allowances was £2,981,426 (1999 : £2,117,507)

9. Lease Earnings Equalisation Reserve

	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
At 1 October 1999	162,590	170,105
Credit to Profit and Loss Account	<u>(7,244)</u>	<u>(7,515)</u>
Liability at 28 September 2000	<hr/> 155,344	<hr/> 162,590

THIRD ROODHILL LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 28 SEPTEMBER 2000

10. Called Up Share Capital

	<u>Authorised</u>		<u>Allotted Called-up and Fully Paid</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Ordinary "A" Shares of £1 each	51	51	51	51
Ordinary "B" Shares of £1 each	<u>49</u>	<u>49</u>	<u>49</u>	<u>49</u>
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11. Profit and Loss Account

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
At 1 October 1999	1,702,055	1,055,682
Retained profit for the year	<u>250,323</u>	<u>646,373</u>
At 28 September 2000	<u>1,952,378</u>	<u>1,702,055</u>

12. Reconciliation of Movements in Shareholders' Funds

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	250,323	646,373
Dividends	<u>-</u>	<u>-</u>
Net addition to shareholders' funds	250,323	646,373
Opening shareholders' funds	<u>1,702,155</u>	<u>1,055,782</u>
Closing Shareholders' funds	<u>1,952,478</u>	<u>1,702,155</u>

13. Holding Organisations

The company's immediate holding company is The Co-operative Bank p.l.c, which is incorporated in England and Wales and whose financial statements are available from 1 Balloon Street, Manchester, M60 4EP.

The ultimate holding organisation is the Co-operative Group (CWS) Limited, which is incorporated in England and Wales and is registered under the Industrial and Provident Societies Acts 1965 to 1978. Its financial statements are available from New Century House, Manchester, M60 4ES.