

PRECISION LEASING LIMITED

**REPORT AND ACCOUNTS
March 2000**

Registered office

71 Lombard Street
London EC3P 3BS

Registered number

995183

Directors

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

Company Secretary

R A Connor



Member of Lloyds TSB Group

PRECISION LEASING LIMITED

REPORT OF THE DIRECTORS

Principal activity

The principal activity of the company is leasing. On 1 April 1999 the company ceased accepting new business.

Result and dividend

The profit after taxation for the year ended 31 March 2000 amounted to £187,451 as set out in the profit and loss account on page 4. An interim dividend of £185,000 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:

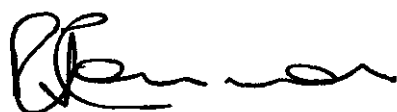
	At 31 March 2000	At 1 April 1999
M. P. Kilbee	30,077	29,480

Options to acquire shares:

	At 1 April 1999	During the year		At 31 March 2000
		Granted	Exercised	
M. P. Kilbee	16,146	6,915	-	23,061

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
18 January 2001

PRECISION LEASING 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 Precision Leasing Limited

We have audited the accounts on pages 4 to 8.

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.

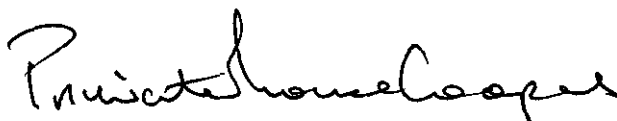
Basis of audit opinion

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 31st March 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

18 January 2001

PRECISION LEASING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	1,462,009	2,811,806
OTHER OPERATING CHARGES		(301,175)	(322,503)
INTEREST PAYABLE	3	(894,572)	(2,169,119)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	266,262	320,184
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	(78,811)	(25,080)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		187,451	295,104
DIVIDEND		(185,000)	(300,000)
		<hr/>	<hr/>
		2,451	4,896
RETAINED PROFIT BROUGHT FORWARD		212	5,108
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		<u>2,663</u>	<u>212</u>

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 8
form part of these accounts.

PRECISION LEASING LIMITED

BALANCE SHEET

AT 31ST MARCH 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
CURRENT ASSETS			
Debtors : due within one year	6	10,253,469	13,165,110
due after more than one year	6	5,124,056	16,651,559
		<hr/>	<hr/>
		15,377,525	29,816,669
CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	7	(11,592,471)	(23,214,147)
		<hr/>	<hr/>
NET CURRENT ASSETS		3,785,054	6,602,522
PROVISIONS FOR LIABILITIES AND CHARGES	8	(2,885,000)	(4,215,000)
ACCRUALS AND DEFERRED INCOME	9	(896,391)	(2,386,310)
		<hr/>	<hr/>
NET ASSETS		<u>3,663</u>	<u>1,212</u>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	10	1,000	1,000
PROFIT AND LOSS ACCOUNT		2,663	212
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		<u>3,663</u>	<u>1,212</u>



D. K. POTTS
Director

The notes on pages 6 to 8
form part of these accounts.

PRECISION LEASING LIMITED

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 – Leasing contracts

Income from leasing contracts is credited to the profit and loss account over the period of investment in proportion to the level of net funds invested.

(c) 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 £14,853,976 (1999, £22,818,230) from leasing contracts. The cost of assets acquired during the year under leasing contracts was £nil (1999, £16,600).

3. INTEREST PAYABLE

	2000 £	1999 £
On loans from group company	894,572	2,169,119

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
The following have been taken into account in arriving at the profit:		
Bad and doubtful debts - credit	-	156,436
Directors' emoluments	-	-

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.

Other operating charges include a management fee payable to the immediate parent company. Auditors' remuneration has been borne by the immediate parent company.

PRECISION LEASING LIMITED

NOTES TO THE ACCOUNTS

5.	TAXATION			<u>2000</u> £	<u>1999</u> £
	Current year:				
	Corporation tax payable at 30% (1999 31%)			1,408,811	400,080
	Transfer from deferred taxation			(1,330,000)	(375,000)
				<u>78,811</u>	<u>25,080</u>
6.	DEBTORS				
			<u>2000</u>		<u>1999</u>
		Due within	Due after	Due within	Due after
		one year	more than	one year	more than
		£	one year	£	one year
			£		£
	Trade debtors:				
	Rentals receivable under leasing				
	contracts, less provisions	10,253,469	5,124,056	13,165,110	16,651,559
7.	CREDITORS: amounts falling due within one year			<u>2000</u> £	<u>1999</u> £
	Amounts owed to group companies			7,911,427	19,802,850
	Other creditors			2,367,233	2,711,217
	Corporation tax payable			1,128,811	400,080
	Dividend proposed			185,000	300,000
				<u>11,592,471</u>	<u>23,214,147</u>
8.	PROVISIONS FOR LIABILITIES AND CHARGES				£
	Deferred Tax:				
	Balance at 31st March 1999				4,215,000
	Transferred to Profit and Loss Account				(1,330,000)
					<u>2,885,000</u>
	Balance at 31st March 2000				
	The amounts provided at 31st March 2000 and 1999 are the full potential liabilities and are attributable to accelerated capital allowances.				
9.	ACCRUALS AND DEFERRED INCOME			<u>2000</u> £	<u>1999</u> £
	Unearned leasing income			896,391	2,386,310

PRECISION LEASING LIMITED

NOTES TO THE ACCOUNTS

10.	CALLED UP SHARE CAPITAL	<u>2000</u> £	<u>1999</u> £
	Authorised, allotted, issued and fully paid:		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</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.

11. DATE OF APPROVAL

The directors approved the accounts on 18 January 2001.