

Fourth Roodhill Leasing Limited

Financial Statements 2012



Registered office 1 Balloon Street, Manchester, M60 4EP
Registered number 1765982

Fourth Roodhill Leasing Limited

Directors' report

The directors present their report and financial statements for the year ended 31 December 2012

Business review

Trading and principal activities

The principal activity of Fourth Roodhill Leasing Limited (the Company) is the provision of finance through the leasing of capital equipment and assets

The profit for the financial year, after tax, amounted to £355,546 (2011 £383,652) Net assets at the balance sheet date amounted to £6,061,209 (2011 £5,705,663) New equipment leased during the year was £nil (2011 £nil)

Future outlook

The Company is undergoing a process of strategic review to assess how the business will proceed in the future

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of The Co-operative Bank plc (the Bank) and are not managed separately Further details are provided within the financial statements of the Bank

Risks specific to the Company are disclosed in the risk management section on page 15

Key performance indicators

The development, performance and position of the Bank, which includes this Company, are discussed in the Bank's financial statements which do not form part of this report

Going concern

The directors have considered the Company's business activities together with its financial position and the factors likely to affect its future development and performance

Consequently, after making enquiries, the directors are satisfied that the Company has sufficient resources to continue in business for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements When making this assessment, the directors act within the principles of the Financial Reporting Council's 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009' report

Dividend

The directors do not recommend the payment of a dividend (2011 £nil)

Fourth Roodhill Leasing Limited

Directors' report (continued)

Directors

The directors of the Company during the year were

| | |
|-------------|---------------------------|
| K Alderson | Chair |
| C L Gosling | (appointed 18 April 2012) |
| C J Mack | (resigned 18 April 2012) |
| W E Newby | |

The directors received emoluments from The Co-operative Group for services rendered to all companies in the Group. However, these are not apportioned to the individual companies. None of the directors had a beneficial interest in the Company.

Financial statements

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware. The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

A statement by the directors as to their responsibilities for preparing the financial statements is included in the statement of directors' responsibilities on page 3.

Supplier payment policy and practice

All supplies and services are sourced through CFS Management Services Limited (CFSMS), a fellow subsidiary of the Banking Group. A management charge is payable to cover the costs of these services.

Charitable and political donations

The Company is not directly responsible for the making of charitable donations as this is undertaken by CFSMS. It is the policy of the Banking Group that no donations are made for political purposes.

Subsequent events

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

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order the Board



Kathrine Bancroft
Secretary
9 May 2013

Fourth Roodhill Leasing Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRS as adopted by the EU, 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditor's report to the members of Fourth Roodhill Leasing Limited

We have audited the financial statements of Fourth Roodhill Leasing Limited (the Company) for the year ended 31 December 2012 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

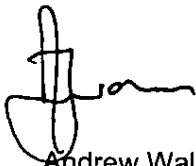
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Fourth Roodhill Leasing Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Andrew Walker (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

KPMG Audit Plc
St James Square
Manchester
M2 6DS

9 May 2013

Fourth Roodhill Leasing Limited

Income statement

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

| | | 2012 | 2011 |
|--------------------------------------|-------|-----------------|----------------|
| | Notes | | |
| Finance lease income | | 338,031 | 426,777 |
| Interest income | 6 | 65,037 | 629 |
| Gross profit | | 403,068 | 427,406 |
| Administrative expenses | 1 | (7,127) | (4,172) |
| Profit before tax | | 395,941 | 423,234 |
| Income tax | 2 | (40,395) | (39,582) |
| Profit for the financial year | | 355,546 | 383,652 |

Profit for the financial year is attributable to the equity holders of the Company and relates to continuing activities

The notes on pages 11 to 20 form part of these financial statements

Fourth Roodhill Leasing Limited

Statement of comprehensive income

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

| | 2012 | 2011 |
|--|-----------------------|-----------------------|
| Profit for the financial year | 355,546 | 383,652 |
| Other comprehensive income for the financial year, net of income tax | - | - |
| Total comprehensive income for the financial year | <u>355,546</u> | <u>383,652</u> |

Total comprehensive income for the financial year is attributable to the equity holders of the Company and relates to continuing activities

The notes on pages 11 to 20 form part of these financial statements

Fourth Roodhill Leasing Limited

Balance sheet

As at 31 December 2012

All amounts are stated in £ unless otherwise indicated

| | | 2012 | 2011 |
|-------------------------------------|-------|-------------------|-------------------|
| | Notes | | |
| Assets | | | |
| Cash and cash equivalents | 3 | 14,778,230 | 14,071,965 |
| Other receivables | 4 | 7,588 | 899 |
| Finance lease receivables | 4 | 5,884,973 | 6,710,769 |
| Total assets | | 20,670,791 | 20,783,633 |
| Liabilities | | | |
| Trade and other payables | 5 | 58,001 | 57,769 |
| Current tax | 2 | 773,306 | 447,565 |
| Amounts due to parent undertaking | 6 | 12,896,306 | 13,405,321 |
| Deferred tax | 2 | 881,969 | 1,167,315 |
| Total liabilities | | 14,609,582 | 15,077,970 |
| Capital and reserves | | | |
| Share capital | 7 | 100 | 100 |
| Retained earnings | | 6,061,109 | 5,705,563 |
| Total equity | | 6,061,209 | 5,705,663 |
| Total liabilities and equity | | 20,670,791 | 20,783,633 |

The notes on pages 11 to 20 form part of these financial statements

Approved by the Board of Directors on 9 May 2013 and signed on its behalf by

Clare Gosling, Director



Fourth Roodhill Leasing Limited

Statement of cash flows

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

| | Notes | 2012 | 2011 |
|---|-------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 395,941 | 423,234 |
| Decrease in finance lease receivables | | 825,796 | 1,329,102 |
| (Increase)/decrease in other receivables | | (6,689) | 4,886 |
| Increase in trade and other payables | | 232 | 7,285 |
| Decrease in amounts due to parent undertaking | | (509,015) | (70,181) |
| Income tax paid | 2 | - | (370,424) |
| Net increase in cash and cash equivalents | | 706,265 | 1,323,902 |
| Cash and cash equivalents at the beginning of the financial year | | 14,071,965 | 12,748,063 |
| Cash and cash equivalents at the end of the financial year | 3 | 14,778,230 | 14,071,965 |

The notes on pages 11 to 20 form part of these financial statements

Fourth Roodhill Leasing Limited

Statement of changes in equity

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

| | Share capital | Retained earnings | Total |
|---|--------------------------|------------------------------|------------------|
| 2012 | | | |
| Balance at the beginning of the financial year | 100 | 5,705,563 | 5,705,663 |
| Total comprehensive income for the financial year | - | 355,546 | 355,546 |
| Balance at the end of the financial year | 100 | 6,061,109 | 6,061,209 |
| 2011 | | | |
| Balance at the beginning of the financial year | 100 | 5,321,911 | 5,322,011 |
| Total comprehensive income for the financial year | - | 383,652 | 383,652 |
| Balance at the end of the financial year | 100 | 5,705,563 | 5,705,663 |

The notes on pages 11 to 20 form part of these financial statements

Fourth Roodhill Leasing Limited

Notes to the financial statements For the year ended 31 December 2012

Basis of preparation

Fourth Roodhill Leasing Limited is a limited liability company, incorporated in Great Britain and registered in England and Wales

The financial information has been prepared under the historic cost convention. The Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) in issue that are endorsed by the EU and are effective for accounting periods beginning on or after 1 January 2012.

Standards and interpretations issued and effective

There were no standards or interpretations that became effective during the year that are relevant to the Company's operations.

Standards and interpretations issued but not yet effective

The following amendments, standards and interpretations which have been issued but are not yet effective are considered relevant to the Company's operations:

- IFRS 9 (Financial Instruments: Classification and Measurement (2010))

This new standard replaces IAS 39 (Financial Instruments: Recognition and Measurement (2009)). Phase one requires financial assets to be classified as at amortised cost or at fair value. Further phases of IFRS 9 are scheduled to cover impairment and hedge accounting.

It becomes effective for accounting periods beginning on or after 1 January 2015. Early adoption is permitted, once endorsed by the EU. The impact of IFRS 9 is likely to be immaterial to the Company.

- Amended IAS 1 (Presentation of Items of Other Comprehensive Income)

This amendment proposes to split the presentation of other comprehensive income into two sections. The different sections will distinguish between items which may or may not be recycled in to any future income or expense.

The Company will adopt the standard for the accounting period beginning on 1 January 2013. The impact of the amendment to IAS 1 is likely to be immaterial to the Company.

Other standards and interpretations have been issued but these are not considered to be relevant to the Company's operations.

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued) For the year ended 31 December 2012

Going concern

The directors have considered the Company's business activities together with its financial position and the factors likely to affect its future development and performance

Consequently, after making enquiries, the directors are satisfied that the Company has sufficient resources to continue in business for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements. When making this assessment, the directors act within the principles of the Financial Reporting Council's 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009' report

Significant accounting policies

(a) Finance leases

Leases where the Company transfers substantially all the risks and rewards of ownership are classified as finance leases and are included within finance lease receivables. Assets leased to customers are deemed to be finance leases and are valued at an amount equal to the net investment in the lease, less any provisions for impairment.

Income from assets leased to customers and instalment credit agreements is credited to the income statement based on a pattern reflecting a constant periodic rate of the net investment in the lease. Initial direct costs incurred in arranging the lease are included in the initial measurement of the finance lease receivable and are recognised over the lease term.

Impairment

Impairment is assessed individually for financial assets that are individually significant and collectively for assets that are not individually significant.

Individual impairment is identified at a counterparty specific level following objective evidence that a financial asset is impaired. This may be after a principal payment is missed.

The recoverable amount of finance lease receivables carried at amortised cost is calculated as the present value of future cash flows, discounted at the original effective interest rate in the lease.

If impaired the carrying value is adjusted and the difference charged to the income statement.

The reversal of an impairment loss for an asset is recognised immediately in the income statement. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2012

Significant accounting policies (continued)

(b) *Income tax*

Tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent it relates to items recognised directly as other comprehensive income, in which case it is recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided for is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be released or realised.

(c) *Cash and cash equivalents*

Cash and cash equivalents comprises cash balances and balances with a maturity date of three months or less from the acquisition date, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued) For the year ended 31 December 2012

Significant accounting policies (continued)

(d) *Impairment*

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(e) *Other financial assets and liabilities*

Other financial assets and liabilities are recognised on an amortised cost basis.

Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information on significant areas of critical judgment in applying accounting policies are described within the significant accounting policies above.

The most significant area of estimation uncertainty is the assessment of impairment. The Company assesses its leasing portfolio at the balance sheet date for evidence of impairment. In determining whether impairment provisions should be recorded, judgments are made as to whether there is objective evidence that the financial asset is impaired as a result of loss events that occurred after recognition of the asset and prior to the balance sheet date.

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2012

Risk management

Credit risk

Credit risk is the risk of financial loss from a counterparty's failure to settle financial obligations as they fall due. Credit risk assessments on the provision of leasing facilities follow the basic canons of lending, i.e. consideration must be given to

- the integrity and reliability of the lessee,
- the duration and amount of the transaction,
- the lessee's ability to repay, and
- the security

The maximum exposure to credit risk equates to the carrying value of the net investment in finance leases (note 4). The Company is not exposed to any other significant credit risk as cash and cash equivalents are held with the parent company, The Co-operative Bank plc.

Security of asset

In most cases the security for the expenditure on the asset purchase is the asset itself. It is not a prerequisite that security is limited to the asset only; other security may frequently be taken, particularly guarantees and/or bank securities. All security documents are referred to and approved by external solicitors where applicable and a record kept of all lease contracts approved by them.

Interest rate risk and liquidity

Margins are preserved for long term fixed rate business by obtaining fixed rate funding from the parent undertaking. This also applies to variable rate leases where short term variable rate funding is also obtained from the parent undertaking. Profit sensitivity to interest rate movements is therefore mitigated.

Capital management

The Company's primary objective in respect of capital management is to ensure that it has sufficient capital now and in the future to support the risks in the business.

The Company is not subject to externally imposed capital requirements in either the current or prior year, other than the minimum share capital required by the Companies Act with which it complies. The Company manages its ordinary share capital in order that there is sufficient capital, in the opinion of the directors, to support the transactions and level of business undertaken by the Company.

Fair values

No fair value assumptions are made in the valuation of assets and liabilities in the financial statements. All financial assets and liabilities are held at amortised cost and their fair value equates to carrying value.

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

1. Administrative expenses

The Company has no employees. Administrative expenses include a management charge for the services provided by the Company's parent undertaking. Auditor's remuneration of £7,950 (2011: £7,644) for the audit of these financial statements was borne by the parent undertaking. The directors received emoluments from The Co-operative Group for services rendered to all companies in the Group. However, these are not apportioned to the individual companies.

2. Income tax

| Income statement | 2012 | 2011 |
|--|------------------|------------------|
| Current tax | | |
| Current year charge | (387,869) | (447,565) |
| Adjustments in respect of prior periods | 62,128 | - |
| | <u>(325,741)</u> | <u>(447,565)</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 245,897 | 291,294 |
| Adjustments in respect of prior periods | (58,627) | - |
| Effect of tax rate change on opening balance | 98,076 | 116,689 |
| | <u>285,346</u> | <u>407,983</u> |
| Income tax expense | <u>(40,395)</u> | <u>(39,582)</u> |
| Reconciliation of effective tax rate | | |
| Profit before tax | <u>395,941</u> | <u>423,234</u> |
| UK corporation tax at 24.50% (2011: 26.49%) | (96,995) | (112,128) |
| Expenditure not qualifying for capital allowances | (28,969) | (26,745) |
| Impact of change in effective rate on deferred tax | 82,068 | 99,291 |
| Adjustments in respect of prior periods | 3,501 | - |
| Income tax expense | <u>(40,395)</u> | <u>(39,582)</u> |

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

2. Income tax (continued)

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the Company's future current tax charge accordingly. The deferred tax liability at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the Company's future current tax charge and reduce the Company's deferred tax liability accordingly.

| Balance sheet | 2012 | 2011 |
|---|-------------------------|---------------------------|
| Income tax liability | | |
| At the beginning of the financial year | (447,565) | (370,424) |
| Charge to income statement | (325,741) | (447,565) |
| Income tax paid during the financial year | - | 370,424 |
| At the end of the financial year | <u>(773,306)</u> | <u>(447,565)</u> |
| Deferred tax liability | | |
| Deferred tax liability at the beginning of the financial year | (1,167,315) | (1,575,298) |
| Credit to income statement | 285,346 | 407,983 |
| Deferred tax liability at the end of the financial year | <u>(881,969)</u> | <u>(1,167,315)</u> |
| Deferred tax liability comprises: | | |
| Capital allowances in excess of depreciation | (881,969) | (1,167,315) |

3. Cash and cash equivalents

| | 2012 | 2011 |
|------------------|-------------------|-------------|
| Cash equivalents | 14,778,230 | 14,071,965 |

Cash equivalents consists of an amount held with the parent undertaking, The Co-operative Bank plc

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

4. Finance lease and other receivables

| | Amounts falling due no later than 1 year | Amounts falling due later than 1 year and no later than 5 years | Amounts falling due later than 5 years | Total |
|---|---|--|---|------------------|
| 2012 | | | | |
| Gross investment in finance lease receivables | 1,104,458 | 4,381,790 | 1,295,580 | 6,781,828 |
| Unearned future finance income on finance leases | (269,595) | (425,790) | (201,470) | (896,855) |
| Net investment in finance leases | 834,863 | 3,956,000 | 1,094,110 | 5,884,973 |
| Other receivables | 7,588 | - | - | 7,588 |
| Total | 842,451 | 3,956,000 | 1,094,110 | 5,892,561 |
| | | | | |
| | Amounts falling due no later than 1 year | Amounts falling due later than 1 year and no later than 5 years | Amounts falling due later than 5 years | Total |
| 2011 | | | | |
| Gross investment in finance lease receivables | 1,175,317 | 4,388,828 | 2,316,387 | 7,880,532 |
| Unearned future finance income on finance leases | (323,921) | (643,142) | (202,700) | (1,169,763) |
| Net investment in finance leases | 851,396 | 3,745,686 | 2,113,687 | 6,710,769 |
| Other receivables | 899 | - | - | 899 |
| Total | 852,295 | 3,745,686 | 2,113,687 | 6,711,668 |

The unguaranteed residual value is £nil (2011 £nil). No new equipment was leased in the period under finance leases (2011 £nil). At the balance sheet date, there were impaired assets of £nil (2011 £nil) with associated provisions of £nil (2011 £nil).

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

5. Trade and other payables

| | 2012 | 2011 |
|----------------|---------------|-------------|
| Other payables | 58,001 | 57,769 |

All amounts are due within three months

6. Amounts due to parent undertaking

| | 2012 | 2011 |
|-----------------------------------|-------------------------|-----------------------|
| Amounts due to parent undertaking | (12,896,306) | (13,405,321) |
| Cash and cash equivalents | 14,778,230 | 14,071,965 |
| | <u>1,881,924</u> | <u>666,644</u> |

The Co-operative Bank plc, the parent undertaking, requires that the loan be repayable on demand. Further analysis of transactions between the Company and The Co-operative Bank plc is provided in note 10. The Company receives or is charged interest based on the net of the cash and intercompany balance.

7. Share capital

| | 2012 | 2011 |
|------------------------------------|-------------|-------------|
| Allotted, called up and fully paid | | |
| 100 ordinary shares of £1 | 100 | 100 |

Each shareholder has one vote per share

8. Significant leasing arrangements

Finance leases

The Company leases capital equipment and assets to private companies and public sector organisations under finance leases for periods up to 25 years.

Fourth Roodhill Leasing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2012

All amounts are stated in £ unless otherwise indicated

9. Parent undertaking

The Company is a wholly owned subsidiary of The Co-operative Bank plc, which is incorporated in Great Britain and registered in England and Wales. Its financial statements are available from 1 Balloon Street, Manchester, M60 4EP.

The ultimate parent undertaking is Co-operative Group Limited, which is incorporated in Great Britain and registered in England and Wales under the Industrial and Provident Societies Acts 1965 to 2003. Its financial statements are available from 1 Angel Square, Manchester, M60 0AG.

10. Related party transactions

The Company has not entered into any transactions with directors of the Company or their immediate relatives.

A number of transactions are entered into with The Co-operative Bank plc in the normal course of business. The amounts of related party transactions, balances at the year end, and related income and expense for the year are as follows:

| | 2012 | 2011 |
|---|---------------------|---------------------|
| Transactions taking place in the year with related parties | | |
| Parent undertaking | | |
| - interest income on net amounts owed by parent undertaking | 65,037 | 629 |
| - management charge | (7,127) | (4,172) |
| At the balance sheet date, related party balances | | |
| Parent undertaking | | |
| - cash and cash equivalents | 14,778,230 | 14,071,965 |
| - amounts due to parent undertaking | (12,896,306) | (13,405,321) |

All transactions are conducted on an arm's length basis and under standard commercial terms.