

**Lloyds TSB Autolease (CH) Limited**  
**(Formerly First National Contract Hire Limited)**

**Report and Accounts 2002**

Registered office

25 Gresham Street  
London  
EC2V 7HN

Company number

2528691

Directors

J L Davies  
M P Kilbee  
D K Potts

Secretary

D A Saunders

Member of Lloyds TSB Group



## Report of the Directors

### Principal activity and review of the year

The principal activity of the Company is that of providing a vehicle contract hire service. On 17 April 2002 the Company's immediate parent company was acquired by a subsidiary of Lloyds TSB Group plc. On 27 July 2002 the Company transferred its business to Lloyds TSB autolease Limited a fellow subsidiary of Lloyds TSB Group plc. The Company has not traded since 27 July 2002.

### Change of name

The name of the Company was changed from First National Contract Hire Limited on 28 July 2002.

### Results

The loss for the year after taxation amounted to £156,893 (2001: profit of £567,082).

### Directors

The names of the directors of the Company are shown on page 1. The following changes in directors have taken place during the year and since the balance sheet date:

	Appointed	Resigned
J L Davies	17 April 2002	
P A George		20 February 2002
G Hockey-Morley	21 January 2002	17 April 2002
M P Kilbee	17 April 2002	
S Patel	21 January 2002	17 April 2002
M A Pawson		20 February 2002
D K Potts	17 April 2002	
N C Stead	17 April 2002	2 January 2003
J Sturt-Scobie	21 January 2002	2 July 2002


### Policy and practice on payment of creditors

The Company follows "The Better Payment Practice Code" published by the Department of Trade and Industry, regarding payments to suppliers. A copy of the code and information about it may be obtained from the DTI Publications Orderline 0870 1502 500 quoting ref URN 01/621.

The Company's policy is to agree terms of payment with suppliers and these normally provide for settlement within 30 days after the date of the invoice, except where other arrangements have been negotiated. It is the policy of the Company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract.

As the Company owed no amounts to trade creditors at 31 December 2002, the number of days required to be shown in this report to comply with the provisions of the Companies Act 1985, is nil.

On behalf of the Board

  
D A Saunders  
Company Secretary

31 December 2003

## Independent auditors' report to the member of Lloyds TSB Autolease (CH) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report including, as described below, the financial statements. The United Kingdom Companies Act 1985 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 as at the end of the year and of the profit or loss for that year. 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; 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 accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements 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.

Our responsibilities, as independent auditors, are established in the United Kingdom by statute and the Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 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 are properly prepared in accordance with the United Kingdom Companies Act 1985. 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 is not disclosed.

We read the directors' report contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### 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 affairs of the Company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
One Kingsway  
Cardiff CF10 3PW

31 October 2003

# Lloyds TSB Autolease (CH) Limited

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## Profit and loss account

31 December 2002

	Note	2002 £	2001 £
Turnover	1	1,868,189	4,037,034
Operating costs		(2,092,320)	(3,275,546)
<b>(Loss) / profit on ordinary activities before taxation</b>	3	<b>(224,131)</b>	761,488
Tax on (loss) / profit on ordinary activities	5	67,238	(194,406)
<b>(Loss) / profit on ordinary activities after taxation</b>		<b>(156,893)</b>	567,082
Retained profit brought forward		2,083,720	1,516,638
<b>Retained profit carried forward</b>		<b>1,926,827</b>	2,083,720

The Company has no recognised gains or losses other than the profits and losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before tax or the loss for the period stated above and their historical cost equivalents.

All of the above activities relate to discontinued operations.

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

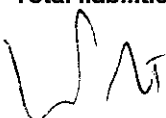
# Lloyds TSB Autolease (CH) Limited

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## Balance sheet

31 December 2002

	Note	2002 £	2001 £
<b>Fixed assets</b>			
Tangible assets	6	-	4,901,172
<b>Current assets</b>			
Stock	7	-	14,880
Debtors	8	5,401,191	402,384
Cash at bank		-	2,958,944
		<b>5,401,191</b>	<b>3,376,208</b>
<b>Total assets</b>		<b>5,401,191</b>	<b>8,277,380</b>
<b>Capital and reserves</b>			
Called up share capital	11	1,000	1,000
Profit and loss account		1,926,827	2,083,720
		<b>1,927,827</b>	<b>2,084,720</b>
Equity shareholder's funds	12	<b>1,927,827</b>	<b>2,084,720</b>
<b>Provisions for liabilities and charges</b>	10	-	295,645
Creditors: amounts falling due within one year	9	3,473,364	5,897,015
		<b>3,473,364</b>	<b>6,192,660</b>
<b>Total liabilities</b>		<b>3,473,364</b>	<b>6,192,660</b>
<b>Total liabilities and equity shareholder's funds</b>		<b>5,401,191</b>	<b>8,277,380</b>



Director

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

## Notes to the financial statements

31 December 2002

### 1. Principal accounting policies

#### Accounting basis

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below and are unchanged from 2001, except that during the year the Company has implemented the requirements of Financial Reporting Standard 19 "Deferred Taxation"; the effect has not been significant. As permitted by Financial Reporting Standard 1 (revised), no cash flow statement is presented in the accounts as the Company is a wholly owned subsidiary of Lloyds TSB Group plc which has such a statement in its own accounts. In addition, advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Lloyds TSB Group plc or other group undertakings, as the consolidated accounts of Lloyds TSB Group plc, in which the Company is included are publicly available.

#### Accounting convention

The financial statements have been prepared under the historical cost convention.

#### Turnover

Income from operating leases is recognised in the profit and loss account on a rental receivable basis.

#### Tangible fixed assets and depreciation

Contract hire motor vehicles are depreciated to their estimated realisable value, over the period of the contracts to give a constant rate of return on the net investment.

#### Stock

Stock is stated at the lower of cost and net realisable value.

#### Deferred tax

FRS 19 "Deferred Taxation" has been adopted in the preparation of these accounts. The standard requires full provision to be made for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations. In adopting FRS 19 the Company has chosen not to discount deferred tax assets and liabilities. No restatement of the comparative figures for the prior period has been necessary to reflect the impact of FRS 19.

#### Balance sheet presentation

The directors have adopted disclosures under balance sheet format two of the Companies Act 1985 as this is considered to present a fairer reflection of the Company's position.

#### Revision to estimation techniques

Following the Company's acquisition by Lloyds TSB Group plc, the Company has revised its method of calculating the provision for losses arising on cars returned under the terms of credit sale agreements.

The effect of this revision on the loss on ordinary activities before taxation for the year and the shareholder's funds is shown in the table below:

	Increase in loss	Reduction in shareholder's funds
	2002	2002
	£	£
Provision for losses	325,366	227,756

The method used to calculate the provision for losses is now in accordance with that used by the Lloyds TSB Group and, as a result of the change, the expected loss is provided immediately, whereas previously it was spread over the unexpired term of the credit sale agreement.

## Notes to the financial statements

31 December 2002

### 2. Disposal of the contract hire business

On 27 July 2002 the Company disposed of its contract hire business and associated assets and liabilities to Lloyds TSB autolease Limited, a fellow subsidiary of Lloyds TSB Group plc. The assets and liabilities were transferred at net book value.

### 3. (Loss) / profit before taxation

(Loss) / profit before taxation is stated after charging:

	2002 £	2001 £
Depreciation	1,024,275	1,278,529

Auditors' remuneration has been borne by a fellow subsidiary company.

### 4. Information regarding directors and employees

#### Directors' emoluments

None of the directors received any remuneration for services in connection with the Company in either the current year or preceding year.

#### Staff numbers and costs

The Company had no employees, other than the directors, in the current year and preceding year, accounting and administrative services being provided by a fellow subsidiary undertaking.

### 5. Tax on (loss) / profit on ordinary activities

#### (a) Analysis of (credit) / charge in the year

	2002 £	2001 £
The (credit) / charge for taxation is made up as follows:		
<b>Current tax</b>		
UK corporation tax on profits of the year	189,345	274,652
Adjustments in respect of previous periods	10,788	(36,055)
Total current tax (note 5 (b))	200,133	238,597
<b>Deferred tax</b>		
Origination and reversal of timing differences	(267,371)	(44,191)
Total deferred tax (note 10)	(267,371)	(44,191)
Total tax on (loss) / profit on ordinary activities	(67,238)	194,406

## Notes to the financial statements

31 December 2002

### 5. Tax on (loss) / profit on ordinary activities (continued)

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is different than the standard rate of corporation tax in the UK (30%). The differences are explained below;

	2002 £	2001 £
(Loss) / profit before tax	(224,131)	761,488
(Loss) / profit multiplied by the standard rate of corporation tax in the UK of 30%	(67,238)	228,447
<b>Effect of:</b>		
Temporary differences between taxable and accounting profit:		
Accelerated capital allowances	256,583	83,105
Other timing differences	-	(36,900)
Prior year charge / (credit)	10,788	(36,055)
Current tax charge for year (note 5 (a))	200,133	238,597

### 6. Tangible fixed assets

	Contract hire motor vehicles £
<b>Cost</b>	
At 1 January 2002	8,214,368
Additions	125,431
Disposals	(2,565,095)
Transfer to group undertakings (note 2)	(5,774,704)
At 31 December 2002	-
<b>Depreciation</b>	
At 1 January 2002	3,313,196
Charge for the year	1,024,275
Disposals	(1,433,222)
Transfer to group undertakings (note 2)	(2,904,249)
At 31 December 2002	-
<b>Net book value</b>	
At 31 December 2002	-
At 31 December 2001	4,901,172



# Lloyds TSB Autolease (CH) Limited

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## Notes to the financial statements

31 December 2002

### 7. Stock

	2002 £	2001 £
Vehicles held for future contract hire agreement and for disposal	-	14,880

### 8. Debtors

	2002 £	2001 £
Trade debtors	-	371,549
Other debtors	-	30,807
Prepayments and accrued income	-	28
Amounts due from fellow group subsidiaries	5,401,191	-
	<b>5,401,191</b>	<b>402,384</b>

### 9. Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	-	50,129
Amounts owed to parent and fellow subsidiaries	3,473,364	4,190,200
Group relief payable	-	396,459
Other creditors including tax and social security	-	41,801
Accruals and deferred income	-	1,218,426
	<b>3,473,364</b>	<b>5,897,015</b>

### 10. Provision for liabilities and charges

The movement on the deferred tax provision is as follows:

	2002 £	2001 £
Balance at 1 January	295,645	339,836
Profit and loss account (note 5 (a))	(267,371)	(44,191)
Deferred tax transferred to fellow subsidiary	(28,274)	-
	<b>-</b>	<b>295,645</b>

## Notes to the financial statements

31 December 2002

### 10. Provision for liabilities and charges (continued)

The deferred tax provided is made up as follows:

	2002 £	2001 £
Accelerated capital allowance	-	296,883
Other timing differences	-	(1,238)
	<u>-</u>	<u>295,645</u>

### 11. Share capital

	2002 £	2001 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted 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 this Company is a member. Lloyds TSB Asset Finance Division Limited is the parent undertaking of the smallest such group of undertakings. Copies of the accounts of both may be obtained from the Company Secretary's office, 25 Gresham Street, London, EC2V 7HN.

### 12. Reconciliation of movements in equity shareholder's funds

	2002 £	2001 £
(Loss) / profit for the financial year	(156,893)	567,082
Opening shareholder's funds	<u>2,084,720</u>	<u>1,517,638</u>
Closing shareholder's funds	<u>1,927,827</u>	<u>2,084,720</u>

### 13. Directors' interests

All of the directors at 31 December 2002 are also directors of Lloyds TSB Autolease (VH) Limited and reference is made in the accounts of that company to their interests in the share and loan capital of Lloyds TSB Group plc, the ultimate parent company.

### 14. Date of approval

The directors approved the accounts on 31 October 2003.