

ROODHILL LEASING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 8 JANUARY 2005

Registered No. 2776185



A23 *AE6AE9A1* 3
COMPANIES HOUSE 06/10/2005

Registered Number 2776185

ROODHILL LEASING LIMITED

Directors' Report

The directors present their report and financial statements for the year ended 8th January 2005.

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 of the year are set out in the profit and loss account on page 4. New equipment leased in the year, as finance leases, had a value of £944,942 (2003 : £NIL).

Dividend

The directors recommend that no dividend be paid and that the profit for the year of £40,502 (2003: £21,418) be transferred to reserves.

Directors

The directors of the company during the year were:

W J Marper (Resigned 25 October 2004)
D A Dickman (Resigned 5 November 2004)
R T Goddard
J S Harvey (Appointed 25 October 2004)
K Alderson (Appointed 25 October 2004)
R M Wilcox (Appointed 25 October 2004)

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

At 10 January 2004, 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 8 January 2005.

No other directors had a beneficial interest in the company or 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.

ROODHILL LEASING LIMITED

Directors Report (Continued)

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



P A Wade
Secretary

Registered Office

P.O. Box 101
1 Balloon Street
MANCHESTER
M60 4EP

8 September 2005

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

We have audited the financial statements on pages 4 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

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 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 with the company is not disclosed.

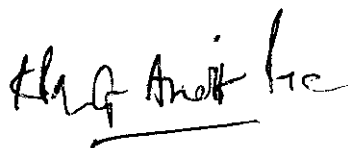
Basis of audit opinion

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 8 January 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit p.l.c
Chartered Accountants
Registered Auditor
MANCHESTER

8 September 2005

ROODHILL LEASING LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 8 JANUARY 2005**

	Notes	<u>2004</u> £	<u>2003</u> £
TURNOVER - continuing operations	2	212,609	261,033
Depreciation		(113,956)	(130,752)
Finance and trading costs		(31,219)	(71,703)
GROSS PROFIT		67,434	58,578
Administrative Expenses		(9,574)	(25,230)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	57,860	33,348
Tax on profit on ordinary activities	4	(17,358)	(11,930)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	40,502	21,418

Movements in profit and loss account reserves are shown in note 14.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>2004</u> £	<u>2003</u> £
Profit for the financial year	40,502	21,418
Prior year adjustment	-	6,418
Total gains and losses recognised since last annual report	40,502	27,836

The notes on pages 6 to 12 form part of these financial statements.

ROODHILL LEASING LIMITED**BALANCE SHEET****AS AT 8 JANUARY 2005**

	Notes	<u>2004</u> £	<u>2003</u> £
FIXED ASSETS	5	206,067	320,023
CURRENT ASSETS			
Debtors: Amounts falling due within one year	7	555,915	581,439
Debtors: Amounts falling due after one year	7	824,914	340,251
		1,380,829	921,690
Creditors: Amounts falling due within one year	9	(46,632)	(31,999)
NET CURRENT ASSETS		1,334,197	889,691
Total Assets less Current Liabilities		1,540,264	1,209,714
Creditors: Amounts falling due after more than one year	10	(732,255)	(431,288)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Income	12	-	(10,919)
		808,009	767,507
CAPITAL AND RESERVES			
Called up Share Capital	13	2	2
Profit and Loss Account	14	808,007	767,505
Shareholders' Funds	15	808,009	767,507

The accounts were approved by the board of directors on 8 September 2005.

J. S. HARVEY
DIRECTOR



R. M. WILCOX
DIRECTOR



The notes on pages 6 to 12 form part of these financial statements.

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.
The accounting policy in respect of broker fees was changed in the year ended 10 January 2004 from a cash receipt basis to a basis that allocates the costs against the lease income over the lease term.
This basis for accounting for broker fees is in accordance with the Finance Lease Association SORP and in line with applicable accounting standards.
- b) 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.

Leasing Earnings

c) Finance Leases

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 period 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.

Operating Leases

Assets leased to customers under operating leases are valued at cost less accumulated depreciation and are disclosed as Fixed Assets.
Rentals from operating leased assets are credited to the profit and loss account on a straight line basis over the period of the lease.
Depreciation for operating leases is calculated to write off the cost of the asset less the assumed residual value over the period of the lease.
The company is exposed to residual value fluctuations on its operating lease portfolio. The estimated residual values on operating leases are the amounts that can safely be expected to be realised under anticipated business conditions, net of disposal costs. This exposure is monitored through periodic assessments by third parties of the residual values of the operating lease assets. Any expected impairment, arising from these reviews, to the estimated residual value of an operating lease asset is recognised immediately.
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.

d) Deferred Income

The unapportioned element of operating lease rentals received in advance is included in deferred income.

Deferred Taxation

- e) Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

ROODHILL LEASING LIMITED

NOTES (Continued)

YEAR ENDED 8 JANUARY 2005

f) **Broker Fees**

Costs relating to broker fees are allocated against the lease income over the lease term. This basis for accounting for broker fees is in accordance with the Finance Lease Association SORP and in line with applicable accounting standards.

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.

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 £506,432 (2003: £629,082) Rentals receivable through operating leases were £128,090 (2003: £155,808).

3. **Profit on Ordinary Activities before Taxation**

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

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Interest on loans from immediate holding company	31,219	71,703
Lease Earnings Equalisation Reserve	-	(47)

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 a credit of £3,677 which relates to a bad debt release (2003: £22,500 charge).

4. **Tax on Profit on Ordinary Activities**

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
a. Analysis of charge in period		
Current Tax		
UK Corporation Tax on Profits of the period	46,632	(96,602)
Total Current Tax	46,632	(96,602)
Deferred tax		
Origination and reversal of timing differences	(29,274)	108,532
Total Deferred Tax	(29,274)	108,532
Tax on profit on ordinary activities	17,358	11,930

ROODHILL LEASING LIMITED

NOTES (Continued)

8 JANUARY 2005

4. b. Factors affecting tax charge for period

The current tax charge is higher (2003: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Profit on ordinary activities before tax	57,860	33,348
Profit on ordinary activities before tax at the standard rate of UK Corporation Tax (30%)	17,358	10,004
Effects of:		
Depreciation for period in excess of capital allowances	29,274	(108,532)
Adjustments to tax charge in respect of previous periods	-	1,926
Current tax charge/(credit) for the year	46,632	(96,602)

5 Fixed Assets

	<u>Assets Leased as Operating Leases</u>
	<u>£</u>
Cost at 10 January 2004 and 8 January 2005	804,950
Accumulated Depreciation: At 10 January 2004	484,927
Charge for the year	113,956
Disposals	-
At 8 January 2005	598,883
Net Book Value at 8 January 2005	206,067
Net Book Value at 10 January 2004	320,023

ROODHILL LEASING LIMITED

NOTES (Continued)

8 JANUARY 2005

6. Operating Leases - Residual Value Exposure

Year in which Residual Value will be recovered:	<u>Residual Value</u> <u>Commercial</u> <u>Vehicles</u> £
Between 1-2 years	206,067
Total Exposure	206,067

7. Debtors

	2004			2003		
	<u>Due within</u> <u>One Year</u>	<u>Due after</u> <u>One Year</u>	<u>Total</u>	<u>Due within</u> <u>One Year</u>	<u>Due after</u> <u>One Year</u>	<u>Total</u>
	£	£	£	£	£	£
Finance Lease Debtors:						
Gross Rentals	352,032	914,923	1,266,955	348,270	378,185	726,455
Less Unearned Finance Charges	(66,971)	(90,009)	(156,980)	(29,194)	(37,934)	(67,128)
	285,061	824,914	1,109,975	319,076	340,251	659,327
Deferred Tax (Note 8)	181,897	-	181,897	152,623	-	152,623
Corporation Tax	-	-	-	96,602	-	96,602
VAT Debtors	70,269	-	70,269	-	-	-
Other Debtors	18,688	-	18,688	13,138	-	13,138
	555,915	824,914	1,380,829	581,439	340,251	921,690

New equipment leased in the year as Finance Leases, had a value of £944,942 (2003: £NIL).

ROODHILL LEASING LIMITED

NOTES (Continued)

8 JANUARY 2005

8. Deferred Taxation

	<u>Capital Allowances on Assets Leased to Customers</u>	
	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
At 10 January 2004	152,623	261,155
Profit and Loss account	29,274	(108,532)
At 8 January 2005	181,897	152,623

The amounts recognised for deferred taxation arise due to the future benefit of capital allowances on written down assets.

9. Creditors

Amounts falling due within one year:	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Trade Creditors	-	15,847
VAT	-	16,152
Corporation Tax	46,632	-
	46,632	31,999

10. Creditors

Amounts falling due after more than one year:

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Due to immediate holding company	732,255	431,288

The Co-operative Bank plc, the immediate holding company, has agreed not to require repayments of sums owing to it before 8 January 2006 at the earliest.

ROODHILL LEASING LIMITED

NOTES (Continued)

8 JANUARY 2005

11. Lease Earnings Equalisation Reserve

	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
At 10 January 2004	-	47
Credit to Profit and Loss Account	-	(47)
Liability at 8 January 2005	-	-

12. Deferred Income

	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
Rentals received in advance	-	10,919

13. Called Up Share Capital

	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
<u>Authorised</u>		
Ordinary Shares of £1 each	100	100
<u>Allotted Called-up and Fully Paid</u>		
Ordinary Shares of £1 each	2	2

14. Profit and Loss Account

	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
At beginning of year as restated	767,505	746,087
Retained profit for the year	40,502	21,418
At 8 January 2005	808,007	767,505

ROODHILL LEASING LIMITED

NOTES (Continued)

8 JANUARY 2005

15. Reconciliation of Movements in Shareholders' Funds

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Opening Shareholders' Funds as restated	767,507	746,089
Profit for the financial year	40,502	21,418
Closing Shareholders' Funds	<u>808,009</u>	<u>767,507</u>

16. Holding Organisation

The company's immediate holding company is The Co-operative Bank p.l.c., which is incorporated in England & 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 which is registered under the Industrial and Provident Societies Acts 1965 to 1978. Their financial statements are available from New Century House, Manchester, M60 4ES.