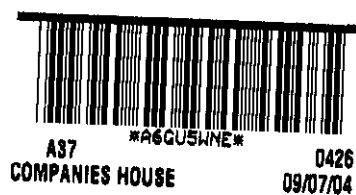


**ROODHILL LEASING LIMITED**

**FINANCIAL STATEMENTS**

**10 JANUARY 2004**

**Registered No. 2776185**



**Registered Number 2776185**

**ROODHILL LEASING LIMITED**

**Directors' Report**

The directors present their report and financial statements for the year ended 10th January 2004.

**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. There was no new equipment leased in the year, as finance leases, (2002 : £224,706).

**Dividend**

The directors recommend that no dividend be paid and that the profit for the year of £21,418 (2002: £19,425) be transferred to reserves.

**Directors**

The directors of the company during the year were:

W J Marper  
D A Dickman  
R T Goddard

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

At 11 January 2003, 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 10 January 2004.

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**

### **Report of the Directors** (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

18 June 2004

## **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.

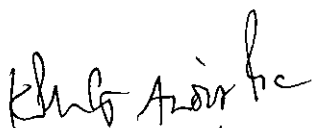
### **Basis of audit opinion**

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 10 January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
MANCHESTER

18 June 2004

**ROODHILL LEASING LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 10 JANUARY 2004**

	Notes	<u>2003</u> £	<u>2002</u> £
<b>TURNOVER</b> - continuing operations	2	261,033	364,464
Depreciation		(130,752)	(121,680)
Finance and trading costs		(71,703)	(161,711)
<b>GROSS PROFIT</b>		58,578	81,073
Administrative Expenses		(25,230)	(53,321)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	33,348	27,752
Tax on profit on ordinary activities	4	(11,930)	(8,327)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	14	21,418	19,425

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

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<u>2003</u> £	<u>2002</u> £
Profit for the financial year	21,418	19,425
Prior year adjustment (as explained on page 6)	6,418	-
Total gains and losses recognised since last annual report	27,836	19,425

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

**ROODHILL LEASING LIMITED****BALANCE SHEET****AS AT 10 JANUARY 2004**

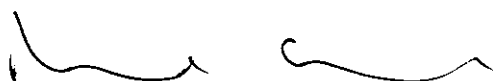
	Notes	<u>2003</u>	<u>2002</u>
		£	As restated £
<b>FIXED ASSETS</b>	5	320,023	450,775
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	7	581,439	1,067,649
Debtors: Amounts falling due after one year	7	340,251	756,636
		921,690	1,824,285
Creditors: Amounts falling due within one year	9	(31,999)	(220,748)
<b>NET CURRENT ASSETS</b>		889,691	1,603,537
Total Assets less Current Liabilities		1,209,714	2,054,312
Creditors: Amounts falling due after more than one year	10	(431,288)	(1,297,677)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Lease Earnings Equalisation Reserve	11	-	(47)
Deferred Income	12	(10,919)	(10,499)
		767,507	746,089
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	13	2	2
Profit and Loss Account	14	767,505	746,087
Shareholders' Funds	15	767,507	746,089

The accounts were approved by the board of directors on 18 June 2004.

D.A.DICKMAN  
DIRECTOR



R. T. GODDARD  
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 has changed 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.
- Had the previous accounting policy been continued for the financial year ended 10 January 2004, debtors of £919,365 would have been reported. The comparative figures have been restated to reflect a prior year adjustment of £6,418 to increase debtors and increase the profit and loss account reserves.
- 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 10 JANUARY 2004**

#### **Bad Debts**

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

#### **Related Party Transactions**

- g) 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 £629,082 (2002: £1,703,462) Rentals receivable through operating leases were £155,808 (2002: £155,808).

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

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

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Interest on loans from immediate holding company	71,703	161,711
Lease Earnings Equalisation Reserve (note 11)	(47)	(37)

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 charge of £22,500 which relates to a bad debt provision (2002: £48,019).

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

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
<b>a. Analysis of charge in period</b>		
<b>Current Tax</b>		
UK Corporation Tax on Profits of the period	(96,602)	216,579
<b>Total Current Tax</b>	<b>(96,602)</b>	<b>216,579</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	108,532	(208,252)
<b>Total Deferred Tax</b>	<b>108,532</b>	<b>(208,252)</b>
<b>Tax on profit on ordinary activities</b>	<b>11,930</b>	<b>8,327</b>



## **ROODHILL LEASING LIMITED**

### **NOTES (Continued)**

#### **10 JANUARY 2004**

#### **4. b. Factors affecting tax charge for period**

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

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Profit on ordinary activities before tax	33,348	27,752
Profit on ordinary activities before tax at the standard rate of UK Corporation Tax (30%)	10,004	8,327
Effects of:		
Capital allowances for period in excess of depreciation	(108,532)	208,252
Tax on prior year adjustment posted to profit and loss account reserves	1,926	-
Current tax (credit)/charge for the year	(96,602)	216,579

#### **4 c. Factors that may affect future tax charges**

The company expects its effective rate of tax in future periods to be in line with the standard rate of tax in the UK.

#### **5 Fixed Assets**

	<b><u>Assets Leased as Operating Leases</u></b>
	<b><u>£</u></b>
Cost at 11 January 2003 and 10 January 2004	804,950
Accumulated Depreciation: At 11 January 2003	354,175
Charge for the year	130,752
Disposals	-
At 10 January 2004	484,927
Net Book Value at 10 January 2004	320,023
Net Book Value at 11 January 2003	450,775

## **ROODHILL LEASING LIMITED**

### **NOTES (Continued)**

**10 JANUARY 2004**

#### **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 2-5 years	206,067
Total Exposure	206,067

#### **7. Debtors**

	<b>2003</b>			<b>2002</b> As restated		
	<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	348,270	378,185	726,455	881,748	819,585	1,701,333
Less Unearned Finance Charges	(29,194)	(37,934)	(67,128)	(104,152)	(62,949)	(167,101)
	319,076	340,251	659,327	777,596	756,636	1,534,232
Deferred Tax (Note 8)	152,623	-	152,623	261,155	-	261,155
Corporation Tax	96,602	-	96,602	-	-	-
VAT Debtors	-	-	-	10,750	-	10,750
Other Debtors	13,138	-	13,138	18,148	-	18,148
	581,439	340,251	921,690	1,067,649	756,636	1,824,285

There was no new equipment leased in the year as Finance Leases (2002: £224,706).

# **ROODHILL LEASING LIMITED**

## **NOTES (Continued)**

**10 JANUARY 2004**

### **8. Deferred Taxation**

	<u>Capital Allowances on Assets Leased to Customers</u>	
	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
At 11 January 2003	261,155	52,903
Profit and Loss account	(108,532)	208,252
At 12 January 2004	152,623	261,155

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>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Trade Creditors	15,847	4,169
VAT	16,152	-
Corporation Tax	-	216,579
	31,999	220,748

### **10. Creditors**

Amounts falling due after more than one year:

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Due to immediate holding company	431,288	1,297,677

The Co-operative Bank plc, the immediate holding company, has agreed not to require repayments of sums owing to it before 10 January 2005 at the earliest.

# **ROODHILL LEASING LIMITED**

## **NOTES (Continued)**

### **10 JANUARY 2004**

#### **11. Lease Earnings Equalisation Reserve**

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
At 11 January 2003	47	84
Credit to Profit and Loss Account	(47)	(37)
Liability at 10 January 2004	<u>-</u>	<u>47</u>

#### **12. Deferred Income**

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Rentals received in advance	<u>10,919</u>	<u>10,499</u>

#### **13. Called Up Share Capital**

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
<u>Authorised</u>		
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<u>Allotted Called-up and Fully Paid</u>		
Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

#### **14. Profit and Loss Account**

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b>As restated <u>£</u></b>
At beginning of year as previously stated		720,244
Prior year adjustment		<u>6,418</u>
At beginning of year as restated (see page 6)	746,087	726,662
Retained profit for the year	<u>21,418</u>	<u>19,425</u>
At 10 January 2004	<u>767,505</u>	<u>746,087</u>

## **ROODHILL LEASING LIMITED**

### **NOTES (Continued)**

**10 JANUARY 2004**

#### **15. Reconciliation of Movements in Shareholders' Funds**

	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b><u>£</u></b>	<b><u>As restated</u></b> <b><u>£</u></b>
Opening Shareholders' Funds as previously stated		720,246
Prior year adjustment		6,418
Opening Shareholders' Funds as restated (see page 6)	746,089	726,664
Profit for the financial year	21,418	19,425
Closing Shareholders' Funds	<u>767,507</u>	<u>746,089</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.