

WBBS Computer Finance Limited

Directors' Report and financial statements

For the year ended 31 March 2004

Registered number 2964470



WBBS Computer Finance Limited

Directors' Report and financial statements

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WBBS Computer Finance Limited

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2004.

Principal activities

The Company's principal activity is the generation of rental income through the leasing of computer equipment and software packages.

Review of business

The retained profit for the year is £24,000 (2003:£17,000). The Directors do not recommend the payment of a dividend for the year.

Significant changes in fixed assets

The movement in fixed assets during the year is set out in note 6.

Directors and directors' interests

The Directors who held office during the year were as follows:

A Messenger
G T Cowdrill

The Directors who held office at the end of the financial year had no interest in the shares of any Group companies at any time during the year.

WBBS Computer Finance Limited

Director's 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, 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 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 financial statements comply with the Companies Act 1985. The Directors 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



SA Karle
Secretary

374 High Street
West Bromwich
26 May 2004

Independent auditors' report to the members of WBBS Computer Finance Limited

We have audited the financial statements on pages 4 to 10.

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 auditors

The directors are responsible for preparing the Directors' 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 as at 31 March 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

2 Cornwall Street
Birmingham
26 May 2004

WBBS Computer Finance Limited

Profit and Loss Account

for the year ended 31 March 2004

	<i>Note</i>	2004 £000	2003 £000
Turnover		1,528	1,528
Cost of sales		(1,498)	(1,498)
Gross profit		<u>30</u>	<u>30</u>
Administrative expenses		(2)	(4)
Operating profit and profit on ordinary activities before taxation	(2)	<u>28</u>	<u>26</u>
Tax on profit on ordinary activities	(5)	(4)	(9)
Profit for the financial year		<u><u>24</u></u>	<u><u>17</u></u>

The Company has no recognised gains or losses other than those reflected in the Profit and Loss Account. These all relate to continuing operations.

Reconciliation of movements in shareholders' funds

for the year ended 31 March 2004

	2004 £000	2003 £000
Opening shareholders' funds	99	82
Profit for the financial year	<u>24</u>	<u>17</u>
Closing shareholders' funds	<u><u>123</u></u>	<u><u>99</u></u>

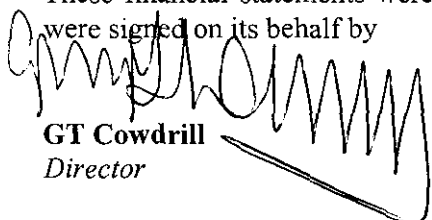
A statement of movements on reserves is given in note 12.

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Balance Sheet at 31 March 2004

	Notes	2004 £000	2003 £000
Fixed assets			
Tangible assets	(6)	4,292	5,790
Current assets			
Debtors	(7)	70	179
Cash at bank and in hand		<u>25</u>	<u>25</u>
		95	204
Creditors:			
Amounts falling due within one year	(8)	<u>(76)</u>	<u>(73)</u>
Net current assets		19	131
Total assets less current liabilities		<u>4,311</u>	<u>5,921</u>
Creditors:			
Amounts falling due after more than one year	(9)	(3,879)	(5,390)
Provisions for liabilities and charges	(10)	(309)	(432)
Net assets		<u><u>123</u></u>	<u><u>99</u></u>
Capital and reserves			
Called up share capital	(11)	-	-
Profit and loss account	(12)	123	99
Equity shareholders' funds		<u><u>123</u></u>	<u><u>99</u></u>

These financial statements were approved by the board of directors on 26th May 2004 and were signed on its behalf by


GT Cowdrill
Director

WBBS Computer Finance Limited

Notes

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard No 1, the Company is exempt from preparing a cashflow statement as 90% or more of its voting rights are controlled within the West Bromwich Building Society group, whose annual report and accounts are publicly available.

The Company's main creditor is its ultimate parent undertaking. The ultimate parent undertaking has indicated that it will continue to support the Company for the foreseeable future. Therefore, the accounts have been prepared on a going concern basis.

Fixed assets and depreciation

Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment and software over a period of three to seven years.

Depreciation is charged from the date computer equipment and software are commissioned for use.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting in respect all timing differences that have originated but not reversed at the balance sheet date except as otherwise required by FRS19.

WBBS Computer Finance Limited

Notes

(forming part of the financial statements)

Turnover

All turnover represents the amounts (excluding value added tax), derived from the provision of goods and services to customers in the UK during the year.

2. Operating profit

Operating profit is stated after charging:

	2004	2003
	£000	£000
Depreciation and other amounts written off owned tangible fixed assets	1,498	1,498
Auditors remuneration: audit services	<u>2</u>	<u>3</u>

The total amount charged to revenue for operating lease rental income is £ 1,528,000 (2003 : £1,528,000).

3. Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the year was nil (2003: nil).

4. Remuneration of directors

The directors received no remuneration for the year ended 31 March 2004 (2003: £Nil).

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Notes (continued)

5. Taxation

	2004 £000	2003 £000
UK corporation tax	(132)	(22)
Prior year adjustment	5	-
Total current tax	(127)	(22)
Deferred tax	123	13
Tax on profit on ordinary activities	(4)	(9)

The current tax charge for the year is higher (2003: *higher*) than the UK standard rate of corporation tax of 30% (2003: 30%). The difference is explained below.

	2004 £000	2003 £000
Profit on ordinary activities before taxation	28	26
Current tax at 30% (2003: 30%)	(8)	(8)
Capital allowances in excess of depreciation	(123)	(14)
Prior year adjustment	5	-
Other	(1)	-
Total current tax charge	(127)	(22)

6. Tangible fixed assets

	Computer equipment and software £000
Cost	
At 1 April 2003 and 31 March 2004	11,251
Depreciation	
At 1 April 2003	5,461
Charge for the year	1,498
At 31 March 2004	6,959
Net Book Value	
At 31 March 2004	4,292
At 31 March 2003	5,790

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Notes (continued)

7. Debtors

	2004 £000	2003 £000
Group relief	<u>70</u>	<u>179</u>

8. Creditors: amounts falling due within one year

	2004 £000	2003 £000
Trade creditors	4	4
VAT	67	67
Accruals	<u>5</u>	<u>2</u>
	<u>76</u>	<u>73</u>

9. Creditors: amounts falling due after more than one year

	2004 £000	2003 £000
Amounts owed to parent undertaking	<u>3,879</u>	<u>5,390</u>

The amounts owed to the parent undertaking have no fixed repayment date. However, this forms part of the long term financing of the Company and is considered to be due after more than one year.

10. Provisions for liabilities and charges

Deferred taxation

	2004 £000	2003 £000
At 1 April 2003	432	445
Credit for the year	<u>(123)</u>	<u>(13)</u>
At 31 March 2004	<u>309</u>	<u>432</u>

	2004 £000	2003 £000
Capital allowances in excess of depreciation	<u>309</u>	<u>432</u>

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Notes (continued)

11. Called up share capital

	2004 £	2003 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. Profit and loss account

	2004 £000	2003 £000
At 1 April	99	82
Profit for the financial year	<u>24</u>	<u>17</u>
At 31 March	<u>123</u>	<u>99</u>

13. Capital commitments

Capital commitments at the end of the financial year for which no provision has been made totalled £nil (2003:£nil).

14. Ultimate parent undertaking

The entire share capital of the Company is owned by West Bromwich Building Society ("the Society"), the ultimate parent undertaking and controlling party and a building society registered under The Building Societies Act 1986. A copy of the Group financial statements may be obtained from the registered office, 374 High Street, West Bromwich, England.

15. Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose related party transactions with other Group undertakings on the grounds that it is a wholly owned subsidiary undertaking of the West Bromwich Building Society. The consolidated financial statements of West Bromwich Building Society, within which this Company is included, can be obtained from the address given in note 14.