

4053677

LLOYDS TSB MARITIME LEASING (NO. 1) LIMITED

30 September 2005

Member of Lloyds TSB Group



LLOYDS TSB MARITIME LEASING (NO. 1) LIMITED  
25 Gresham Street London EC2V 7HN

DIRECTORS

A J Cumming  
P Higgins  
M W Joseph  
R F Pelly  
A B Vowles (Alternate: A M Basing)

SECRETARY

S Slattery

AUDITORS

PricewaterhouseCoopers LLP

REGISTERED OFF ICE

25 Gresham Street  
London EC2V 7HN

REGISTERED NUMBER

4053677

# LLOYDS TSB MARITIME LEASING (NO. 1) LIMITED

## REPORT OF THE DIRECTORS

### REVIEW OF BUSINESS

During the year the principal activity of the Company was investing in limited partnerships, and this is likely to continue for the foreseeable future.

During the year the company incurred expenditure of £408,000 (2004: £408,000) on investments in limited partnerships.

### RESULTS

The profit after taxation for the year ended 30 September 2005 amounted to £489,000 (2004: £745,000) as set out in the profit and loss account on page 6.

An interim dividend of £450,000 (2004: £700,000) will be paid in June 2006.

### 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 year end:

	Appointed	Resigned
A R Foad		31 October 2005
M A Grant*		16 June 2005
P Higgins	7 September 2005	
P B Miles		26 August 2005
R F Pelly	17 November 2005	

\* alternate to A J Cumming

All the directors are also directors of Lloyds TSB Leasing Limited, the immediate parent company, and reference to the interests of those who were directors at the end of the year in the capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries is made in the report and accounts of Lloyds TSB Leasing Limited.

### RESPONSIBILITIES OF DIRECTORS

The directors are responsible for preparing the Annual Report. As described below, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom law and accounting standards. 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 as at the end of the year and of the profit or loss of the company 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 a 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 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.

LLOYDS TSB MARITIME LEASING (NO. 1) LIMITED

REPORT OF THE DIRECTORS (continued)

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The company follows "The Better Payment Practice Code" published by the Department of Trade and Industry, regarding the making of payments to suppliers. A copy of the code and information about it may be obtained from The DTI Publications Orderline 0870-1502500 (quoting ref. URN 04/606).

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 30 September 2005, 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

A handwritten signature in black ink, appearing to read 'S Slattery', written in a cursive style.

S Slattery  
Secretary

14 June 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF LLOYDS TSB MARITIME LEASING (NO. 1)  
LIMITED

We have audited the financial statements which comprise profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 in to 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 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.

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 30 September 2005 and of the profit 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

The Quay  
30 Channel Way  
Ocean Village  
Southampton  
SO14 3QG

*21<sup>st</sup>* June 2006

## ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, in compliance with the Companies Act 1985 and in accordance with applicable accounting standards and Statement of Recommended Practice for the leasing industry. The company is exempted from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with the requirements of Financial Reporting Standard 1 (Revised) is included in the accounts of its ultimate parent company. 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 or associated undertakings as the consolidated accounts of Lloyds TSB Group plc in which the company is included are publicly available.

(a) Accounting presentation

An investment company has no equivalent to cost of sales or gross profit. Consequently, the directors consider adaptation of the Companies Act 1985 profit and loss account format to be appropriate. Provision against investment is the charge or credit to the profit and loss account necessary to amortise the investment in the partnership in the same pattern as the carrying values of the underlying lease cash flows determined using the company's normal policy for income recognition of operating leases. Interest expense has been shown above administrative expenses since this reflects more meaningfully the nature of interest expense within the context of an investment business. Operating expenses include administrative expenses, management fees payable to the parent company and such other expenses as may be incurred as overheads during the normal conduct of the company's business.

(b) Basis of preparation

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts.

(c) Investments in limited partnerships

Income from investments in limited partnerships is recognised when received.

Amortisation of investment in limited partnerships is calculated so as to allocate post tax profits from the underlying leases in the partnership to accounting periods in proportion to the net cash invested in each period taking into account the effects of taxation so as to give a constant post tax rate of return. The taxation charge and pre-tax profit are determined by reference to post-tax profit allocated and the effective rate of tax applicable to the lease for the period.

(d) Deferred taxation

Full provision is made for deferred tax liabilities arising from timing differences between recognition of gains and losses in the financial statements and their recognition in the tax computation. Deferred tax assets are recognised to the extent that they are regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted, or where they can be offset against deferred tax liabilities.

LLOYDS TSB MARITIME LEASING (NO. 1) LIMITED

PROFIT AND LOSS ACCOUNT  
for the year ended 30 September 2005

	Note	2005 £000	2004 £000
INVESTMENT INCOME		6,555	5,771
PROVISION AGAINST INVESTMENTS	5	819	109
		<hr/>	<hr/>
		5,736	5,662
INTEREST EXPENSE	1	4,936	4,493
		<hr/>	<hr/>
		800	1,169
OPERATING EXPENSES			
Management fee payable to parent company		101	105
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		699	1,064
TAXATION	3	210	319
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		489	745
PROPOSED DIVIDEND	4	450	700
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR	8	39	45
		<hr/>	<hr/>

There are no further gains or losses attributable to the shareholder other than those disclosed above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year as stated above and their historical cost equivalents.

LLOYDS TSB MARITIME LEASING (NO. 1) LIMITED

BALANCE SHEET  
at 30 September 2005

	Note	2005 £000	2004 £000
ASSETS			
FIXED ASSETS			
Investments	5	126,295	126,706
CURRENT ASSETS			
DEBTORS			
Amounts owed by group companies	6	1,639	3,475
		<u>127,934</u>	<u>130,181</u>
LIABILITIES			
SHAREHOLDER'S FUNDS			
Called up share capital	7	-	-
Profit and loss account	8	106	67
	9	<u>106</u>	<u>67</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	26,086	23,261
CREDITORS – Amounts falling due within one year			
Amounts owed to group companies	11	101,413	106,544
Other creditors		329	309
		<u>101,742</u>	<u>106,853</u>
		<u>127,934</u>	<u>130,181</u>

*R F Pelly*

R F Pelly  
Director

14 June 2006

The notes on pages 8 to 10 form part of these accounts.

# LLOYDS TSB MARITIME LEASING (NO.1) LIMITED

## NOTES TO THE ACCOUNTS

### 1 INTEREST EXPENSE

2005	2004
£000	£000

Interest expense comprises:

Interest payable to other group companies on bank loans and overdrafts	4,936	4,493
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### 2 ADMINISTRATIVE EXPENSES

Audit fees for the company are borne by the immediate parent company. The company has no employees and the directors received no remuneration in respect of their services to the company.

### 3 TAXATION

2005	2004
£000	£000

(a) The charge for the year comprises:

Group relief receivable in current taxation loss for the year	(2,502)	(4,640)
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Adjustment in respect of prior years	(113)	33
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Total group relief receivable for year (Note 3(b))	(2,615)	(4,607)
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Deferred taxation – current year (Note 10)	2,712	4,959
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Deferred taxation – adjustment in respect of prior years (Note 10)	113	(33)
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210	319
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(b) Factors affecting the group relief receivable for the year

The group relief receivable for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

Profit on ordinary activities before tax	699	1,064
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Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004: 30%)	210	319
--	-----	-----

Capital allowances for year in excess of depreciation	(2,712)	(4,959)
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Adjustment in respect of prior years	(113)	33
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Total group relief receivable for year (Note 3(a))	(2,615)	(4,607)
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# LLOYDS TSB MARITIME LEASING (NO. 1) LIMITED

## NOTES TO THE ACCOUNTS

### 4 DIVIDENDS

An interim dividend of £450,000 will be paid in June 2006 for the year 2005 (2004: £700,000), which equates to £4500 per share (2004: £7000 per share).

### 5 INVESTMENTS

This represents the company's investment, at cost, of a 99.996% interest as a limited partner in The Cosbright Shipping Limited Partnership, The Cosforce Shipping Limited Partnership and The Coswin Shipping Limited Partnership, UK limited partnerships, each of which carries on business as an owner and charterer of a ship. The results of the limited partnerships are consolidated in the group accounts of Lloyds TSB Group plc.

	£000
At 1 October 2004	126,706
Additions	408
Provision for the year	(819)
	<hr/>
At 30 September 2005	126,295
	<hr/>

### 6 AMOUNTS OWED BY GROUP COMPANIES

	2005 £000	2004 £000
Amounts falling due within one year:		
Bank deposits	727	1,175
Group relief receivable	912	2,300
	<hr/>	<hr/>
	1,639	3,475
	<hr/>	<hr/>

### 7 CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised, allotted and issued fully paid: ordinary shares of £1 each	100	100
	<hr/>	<hr/>

The company regarded by the directors as the ultimate parent company is Lloyds TSB Group plc, which is also the parent company of the largest group of companies for which group accounts are drawn up and of which the company is a member. Lloyds TSB Bank plc is the parent company of the smallest such group of companies. Copies of the group accounts of both may be obtained from the company secretary's office, Lloyds TSB Group plc, 25 Gresham Street, London EC2V 7HN.

The immediate parent company is Lloyds TSB Leasing Limited.

### 8 PROFIT AND LOSS ACCOUNT

	£000
At 1 October 2004	67
Retained profit for the year	39
	<hr/>
At 30 September 2005	106
	<hr/>

# LLOYDS TSB MARITIME LEASING (NO. 1) LIMITED

## NOTES TO THE ACCOUNTS

### 9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2005 £000	2004 £000
Profit for the year after taxation	489	745
Proposed dividend	450	700
	<hr/>	<hr/>
Net increase in shareholder's funds	39	45
Shareholders' funds at beginning of year	67	22
	<hr/>	<hr/>
Shareholders' funds at end of year	106	67
	<hr/>	<hr/>

### 10 DEFERRED TAXATION

£000

At 1 October 2004	23,261
Charge for the year	2,712
Adjustment in respect of prior years	113
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At 30 September 2005	26,086
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The balances at 1 October 2004 and 30 September 2005 represents full provision in respect of the potential liability of the company to taxation on the excess of capital allowances over related amortisation of leased assets and other short-term timing differences.

### 11 AMOUNTS OWED TO GROUP COMPANIES

	2005 £000	2004 £000
Amounts falling due within one year:		
Bank borrowings	99,953	104,750
Interest payable	1,010	1,094
Interim dividend	450	700
	<hr/>	<hr/>
	101,413	106,544
	<hr/>	<hr/>

### 12 DATE OF APPROVAL

The directors approved the accounts on 14 June 2006.