

1004792

LLOYDS TSB LEASING LIMITED

31 December 2003

Member of Lloyds TSB Group



LLOYDS TSB LEASING LIMITED
25 Gresham Street London EC2V 7HN

DIRECTORS

A J Cumming (Alternate: M A Grant)
A R Foad
M W Joseph
P B Miles
A B Vowles

SECRETARY

S Slattery

AUDITORS

PricewaterhouseCoopers LLP

REGISTERED OFFICE

25 Gresham Street
London EC2V 7HN

REGISTERED NUMBER

1004792

LLOYDS TSB LEASING LIMITED

REPORT OF THE DIRECTORS

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activities of the company are the provision of leasing facilities and acting as a holding company for big ticket leasing and property investment subsidiaries of LloydsTSB group.

At the end of the year the cost of leased assets amounted to £901,298,000.

The company is also a partner in a number of leasing partnerships.

RESULTS AND DIVIDEND

The profit for the financial year ended 31 December 2003 amounted to £81,289,000 (2002: £63,594,000) as set out in the profit and loss account on page 6.

An interim dividend of £48,000,000 was paid in September 2003. A further interim dividend of £45,000,000 will be paid in June 2004 (June 2003:50,000,000).

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 J Cumming	22 December 2003	
A R Foad*		13 August 2003
A R Foad	14 August 2003	
M J Green		3 December 2003
M A Grant**	22 December 2003	
M W Joseph	9 June 2004	
R S King		31 October 2003
D P Pritchard		9 May 2003
F M P Riding		29 December 2003
R R Seggins		4 July 2003
G T Tate	29 December 2003	5 May 2004
A B Vowles***		31 October 2003
A B Vowles	29 December 2003	

* alternate to P B Miles

** alternate to A J Cumming

*** alternate to R S King

DIRECTORS' INTERESTS

The interests of those who were directors of the company at the end of the year in the capital of Lloyds TSB Group plc were:

Shares:

	At 1 January 2003 (or, if later, date of first appointment to the board)	At 31 December 2003
A J Cumming	3,704	3,704
A R Foad	41,910	43,729
M A Grant	14,513	14,513
P B Miles	70,238	71,216
G T Tate	-	-
A B Vowles	14,653	17,191

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS

Options to acquire shares:

	At 1 January 2003 (or, if later, date of first appointment to the board)	During the year			At 31 December 2003
		Granted	Exercised	Lapsed*	
A J Cumming	52,181	-	-	-	52,181
A R Foad	25,657	7,002	-	594	32,065
M A Grant	18,352	-	-	-	18,352
P B Miles	30,492	13,472	-	3,097	40,867
G T Tate	-	348,837	-	-	348,837
A B Vowles	25,569	11,060	-	-	36,629

*During the year, these share options lapsed following termination of savings contracts linked to the staff sharesave option scheme, in accordance with the rules of the scheme.

None of the directors had any other interest in the capital of Lloyds TSB Group plc or its subsidiaries.

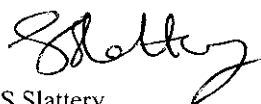
POLICY AND PRACTICE ON PAYMENT OF CREDITORS

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 31 December 2003, 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



S Slattery
Secretary

9 June 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF LLOYDS TSB LEASING 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 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.

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.

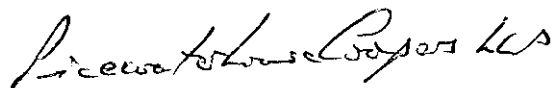
Basis of audit opinion

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 31 December 2003 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants
and Registered Auditors

The Quay
30 Channel Way
Ocean Village
Southampton
SO14 3QG

9 June 2004

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) Basis of preparation

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

(b) Accounting presentation

A leasing 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. Amortisation of leased assets is the charge or credit to the profit and loss account necessary to comply with the company's policy on income recognition for finance leases. Interest expense has been shown above administrative expenses since this reflects more meaningfully the nature of interest expense within the context of a leasing business. Operating expenses include administrative expenses, and such other expenses as may be incurred as overheads during the normal conduct of the company's business.

(c) Income recognition - finance leases

Post-tax profits on leases are allocated to the profit and loss account in proportion to the net cash invested in each period taking into account the effects of taxation so as to give a constant periodic rate of return. The taxation charge and pre-tax profits are determined by reference to the post-tax profit allocated and the effective rate of tax applicable to the lease for the period. Rentals arising during the secondary period are recognised on the due date.

(d) Interest rate swaps

The company in the course of its business enters into interest rate swap contracts, to reduce its exposure to fluctuations in interest rates on borrowings where the associated finance lease income is at a fixed rate. The amounts receivable and payable on these swaps are included in the profit and loss account so as to match the interest payable on the borrowing.

(e) Premises and equipment

Premises and equipment are depreciated over the life of the assets taking into account anticipated residual values.

(f) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated in the balance sheet at the lower of cost and net realisable value.

(g) Investment in leasing partnerships

The company's investments in leasing partnerships are treated as joint arrangements that are not entities in accordance with Financial Reporting Standard 9, Associates and Joint Ventures. The company's share of the partnerships' transactions are therefore included within the relevant items of these financial statements.

(h) Provisions for bad and doubtful debts

Provisions for bad and doubtful debts are based on a year-end appraisal of rentals receivable less income allocated to future periods.

(i) Foreign currency translation

Assets and liabilities in foreign currencies are matched and are translated into Sterling at original contractual rates.

(j) 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 LEASING LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2003

	Note	2003 £000	2002 £000
TURNOVER	1	30,552	39,323
AMORTISATION OF LEASED ASSETS		(191)	790
		30,361	40,113
INTEREST INCOME	2	15,255	12,537
DIVIDENDS RECEIVABLE FROM SUBSIDIARY COMPANIES		34,860	31,357
OTHER OPERATING INCOME (NET)	3	36,041	17,337
		116,517	101,344
INTEREST EXPENSE	4	26,679	32,907
		89,838	68,437
RELEASE OF PROVISION FOR BAD AND DOUBTFUL DEBTS		-	14,075
		89,838	82,512
OPERATING EXPENSES			
Administrative expenses	6	10,728	7,167
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		79,110	75,345
TAXATION (CREDIT) CHARGE	7	(2,179)	11,391
PROFIT FOR THE FINANCIAL YEAR		81,289	63,954
DIVIDENDS PAYABLE		93,000	50,000
RETAINED (LOSS) PROFIT FOR THE FINANCIAL YEAR	14	(11,711)	13,954

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.

All amounts relate to continuing operations.

The notes on pages 8 to 14 form part of these accounts.

LLOYDS TSB LEASING LIMITED

BALANCE SHEET
at 31 December 2003

	Note	2003 £000	2002 £000
ASSETS			
FIXED ASSETS			
Premises and equipment	9	32	978
Investments	10	35,791	43,243
		35,823	44,221
CURRENT ASSETS			
DEBTORS			
Finance lease receivables			
within one year		126,016	145,998
after more than one year		544,513	618,966
	11	670,529	764,964
Amounts owed by group companies	12	181,389	307,197
Other debtors		7,476	7,828
		895,217	1,124,210
LIABILITIES			
SHAREHOLDER'S FUNDS			
Called up share capital	13	2,000	2,000
Reserves	14	14,872	26,583
	15	16,872	28,583
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	16	136,822	143,741
CREDITORS			
Amounts owed to group companies	17	738,286	950,328
Other creditors		3,237	1,558
		741,523	951,886
		895,217	1,124,210



P B Miles
Director

9 June 2004

The notes on pages 8 to 14 form part of these accounts.

NOTES TO THE ACCOUNTS

1 TURNOVER

Turnover represents gross rentals receivable in the year.

2 INTEREST INCOME

	2003 £000	2002 £000
Interest income comprises:		
Interest receivable from group companies	15,248	12,537
Interest receivable from others	7	-
	15,255	12,537

3 OTHER OPERATING INCOME (NET)

Other operating income comprises fee income for the arrangement of leases of £837,000 (2002: £3,632,000), management fees receivable from group companies of £6,919,000 (2002: £6,389,000) and net profit arising on the sale of subsidiary companies of £28,285,000 (2002: £7,316,000).

4 INTEREST EXPENSE

	2003 £000	2002 £000
Interest expense comprises:		
Interest payable to group companies on bank loans and overdrafts	26,679	32,907

5 DIRECTORS' EMOLUMENTS

The aggregate of the emoluments of the directors was £424,988 (2002: £363,865).

Retirement benefits are accruing to 2 directors (2002: 2) under defined benefit pension schemes.

The number of directors who exercised share options was nil (2002: 6).

The aggregate of the emoluments of the highest paid director was £243,263 (2002: £211,321). At the year end his accrued pension totalled £78,956 per annum (2002: £74,860) being his pension entitlement based on pensionable service with the group to 31 December 2003 but payable at normal retirement age.

6 ADMINISTRATIVE EXPENSES

	2003 £000	2002 £000
Administrative expenses comprises:		
Administrative expenses	10,500	6,921
Auditors remuneration – audit services	228	215
Auditors remuneration – other services	-	31
	10,728	7,167

NOTES TO THE ACCOUNTS

7 TAXATION

	2003 £	2002 £
(a) The (credit) charge for the period comprises:		
Group relief payable for the year	9,812	3,219
Adjustment in respect of prior years	(5,112)	755
Total group relief payable for year (Note 7(b))	4,700	3,974
Deferred taxation - current year (Note 16)	(4,701)	8,028
- adjustment in respect of prior years (Note 16)	(2,178)	(611)
	(2,179)	11,391

(b) Factors affecting the group relief payable for the year

The group relief payable 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 taxation	79,110	75,345
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2002:30%)	23,733	22,603
Permanent differences	(18,652)	(11,356)
Depreciation for the year in excess of capital allowances (Capital allowances for the year in excess of depreciation)	4,701	(8,028)
Adjustment in respect of prior years	107	755
Receipt of group relief payments	(7,336)	-
Finalisation of taxable profits of Motability partnerships	2,147	-
Total group relief payable for period (Note 7(a))	4,700	3,974

The taxation charge on the profit for the year has been based on a United Kingdom corporation tax rate of 30% (2002: 30%).

8 LEASING PARTNERSHIPS

The company has an interest in the following leasing partnerships:

<u>Lease partnership</u>	<u>% holding</u>	<u>Principal place of business</u>
Albion Leasing Company	22.25	25 Gresham Street London EC2V 7HN
Motability Car Lease ***	19.20	22 Southwark Bridge Road, London, SE1 9HB
Motability Car Lease "B" *	17.00	22 Southwark Bridge Road, London, SE1 9HB
Motability Car Lease "C" **	17.00	22 Southwark Bridge Road, London, SE1 9HB
Motability Car Lease "D"	17.00	22 Southwark Bridge Road, London, SE1 9HB
Motability Hire Purchase ***	19.20	22 Southwark Bridge Road, London, SE1 9HB
Omnium Leasing Company	24.46	23 Great Winchester Street, London, EC2P 2AX

* Accounts made up to 31 March

** Accounts made up to 30 June

*** Accounts made up to 30 September

The accounts of Albion Leasing Company and Omnium Leasing Company are audited by firms other than PricewaterhouseCoopers LLP.

Under the terms of the Partnership Act 1890, there is unlimited liability in connection with the company's participation in the above partnerships.

NOTES TO THE ACCOUNTS

9 PREMISES AND EQUIPMENT

	Leasehold improvements £000	Plant and equipment £000	Total £000
Cost			
At 1 January 2003	806	248	1,054
Additions during the year	-	155	155
Disposals during the year	(806)	(367)	(1,173)
At 31 December 2003	-	36	36
Accumulated depreciation			
At 1 January 2003	60	16	76
Charge for the year	7	7	14
Disposals during the year	(67)	(19)	(86)
At 31 December 2003	-	4	4
Net book value at 31 December 2003	-	32	32
Net book value at 31 December 2002	746	232	978

10 INVESTMENTS

Investments in subsidiary undertakings

	£000
At 1 January 2003	43,243
Acquisitions during the year	1
Disposals during the year	(300)
Reduction in net book value of investment	(7,153)
At 31 December 2003	35,791

NOTES TO THE ACCOUNTS

10 INVESTMENTS (continued)

Lloyds Business Leasing Limited, Lloyds Equipment Leasing Limited, Lloyds Machinery Leasing Limited, Lloyds TSB Maritime Leasing (No. 5), Lloyds TSB Maritime Leasing (No. 6) and Lunar Finance Limited, wholly owned subsidiaries of the company, were sold during the year. Lloyds Property Investment Company (No. 5) Limited, Lloyds TSB Corporate Asset Finance (HP) Limited, Lloyds TSB Corporate Asset Finance (No.1) Limited, Lloyds TSB Corporate Asset Finance (No.2) Limited, Lloyds TSB Corporate Asset Finance (No.3) Limited and Lloyds TSB Corporate Asset Finance (No.4) Limited were incorporated as wholly owned subsidiaries of the company during the year. The principal subsidiary undertakings on 31 December 2003, all of which are wholly owned by the company and registered in England and Wales, are:

	Accounting reference date
Birchcrown Finance Limited	20 November
Conquest Securities Limited	20 February
CTSB Leasing Limited	20 November
Greatshield Securities Limited	30 September
Hill Samuel Finance Limited	31 December
Hill Samuel Leasing (No. 2) Limited	30 June
Hill Samuel Leasing (No. 4) Limited	31 December
LBI Leasing Limited	31 March
Lloyds Asset Leasing Limited	31 March
Lloyds Associated Air Leasing Limited	31 March
Lloyds Bank Property Company Limited	30 September
Lloyds Capital Leasing Limited	30 September
Lloyds Commercial Leasing Limited	30 September
Lloyds Corporate Leasing Limited	31 March
Lloyds Financial Leasing Limited	30 June
Lloyds General Leasing Limited	31 December
Lloyds Industrial Leasing Limited	30 June
Lloyds Investment Bonds Limited	31 December
Lloyds Investment Bonds No. 2 Limited	31 December
Lloyds Investment Securities Limited	31 March
Lloyds Investment Securities (No. 5) Limited	31 December
Lloyds Leasing (North Sea Transport) Limited	31 December
Lloyds Leasing Developments Limited	31 December
Lloyds (Nimrod) Leasing Industries Limited	31 December
Lloyds (Nimrod) Machinery Finance Limited	30 September
Lloyds (Nimrod) Specialist Finance Limited	31 March
Lloyds Plant Leasing Limited	31 March
Lloyds Portfolio Leasing Limited	30 September
Lloyds Project Leasing Limited	31 March
Lloyds Property Investment Company Limited	30 June
Lloyds Property Investment Company No. 3 Limited	31 December
Lloyds Property Investment Company No. 5 Limited	31 December
Lloyds TSB Corporate Asset Finance (HP) Ltd	31 December
Lloyds TSB Corporate Asset Finance (No. 1) Ltd	31 March
Lloyds TSB Corporate Asset Finance (No. 2) Ltd	30 June
Lloyds TSB Corporate Asset Finance (No. 3) Ltd	30 September
Lloyds TSB Corporate Asset Finance (No. 4) Ltd	31 December
Lloyds TSB Equipment Leasing (No. 1) Limited	30 September
Lloyds TSB Equipment Leasing (No. 2) Limited	31 March
Lloyds TSB Equipment Leasing (No. 3) Limited	30 September
Lloyds TSB Equipment Leasing (No. 4) Limited	30 September
Lloyds TSB Equipment Leasing (No. 5) Limited	31 December
Lloyds TSB Equipment Leasing (No. 6) Limited	31 March
Lloyds TSB Equipment Leasing (No. 7) Limited	31 December
Lloyds TSB Equipment Leasing (No. 8) Limited	30 September
Lloyds TSB Equipment Leasing (No. 9) Limited	31 May
Lloyds TSB Maritime Leasing (No. 1) Limited	30 September
Lloyds TSB Maritime Leasing (No. 2) Limited	30 September
Lloyds TSB Maritime Leasing (No. 3) Limited	30 June
Lloyds TSB Maritime Leasing (No. 4) Limited	30 September
Lloyds TSB Maritime Leasing (No. 7) Limited	31 December
Lloyds TSB Maritime Leasing (No. 8) Limited	31 December
Lloyds TSB Maritime Leasing (No. 9) Limited	31 March
Lloyds TSB Maritime Leasing (No. 10) Limited	31 May
Lloyds TSB Maritime Leasing (No. 11) Limited	31 May
Lloyds TSB Maritime Leasing Limited	31 December
Nelstar Leasing Co Limited	31 December
Savban Leasing Limited	31 December
Whitestar Securities Limited	31 December
Wood Street Leasing Limited	30 September

For commercial reasons certain subsidiary companies have accounting reference dates differing from 31 December. The company owns 192 ordinary shares of £1 each (19.2% of the issued share capital) of Motability Finance Limited, a company registered in England and Wales. The results and net assets of the company are not material to Lloyds TSB Leasing Limited.

NOTES TO THE ACCOUNTS

11 FINANCE LEASE RECEIVABLES

	2003 £000	2002 £000
Future rentals (net of provisions)	894,049	1,007,367
Less:		
Rentals received in advance	(20,618)	(19,597)
Income allocated to future periods	(202,902)	(222,806)
	<u>670,529</u>	<u>764,964</u>

Finance lease receivables represents the cost of leased assets less rentals received in advance after providing for the following:

Accumulated amortisation	210,151	128,843
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12 AMOUNTS OWED BY GROUP COMPANIES

	2003 £000	2002 £000
Amounts due within one year:		
Bank deposits	147,730	223,197
Sums due from fellow subsidiary undertakings	10,290	64,271
Interest receivable	1,819	2,134
Group relief receivable	-	7,595
Dividends receivable	21,550	10,000
	<u>181,389</u>	<u>307,197</u>

13 CALLED UP SHARE CAPITAL

	2003 £000	2002 £000
Authorised, allotted, issued and fully paid: ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

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.

NOTES TO THE ACCOUNTS

14 RESERVES

£000

At 1 January 2003	26,583
Retained loss for the year	11,711

At 31 December 2003	14,872
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15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2003 £000	2002 £000
Profit for the year after taxation	81,289	63,954
Dividends	93,000	50,000
Net (decrease) increase in shareholder's funds	(11,711)	13,954
Shareholder's funds at beginning of year	28,583	14,629
Shareholder's funds at end of year	16,872	28,583

16 DEFERRED TAXATION

£000

At 1 January 2003	143,741
Transfer from subsidiary undertakings	(40)
Credit for the year	(6,879)
At 31 December 2003	136,822

The balances at 1 January and 31 December 2003 represent 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.

17 AMOUNTS OWED TO GROUP COMPANIES

	2003 £000	2002 £000
Amounts falling due within one year:		
Bank overdraft	113,442	219,603
Bank borrowings	544,986	629,629
Amounts due to fellow subsidiary undertakings	1,133	24,366
Interest payable	6,657	9,591
Group relief payable	24,163	13,265
Interim dividend	45,000	50,000
	735,381	946,454
Amounts falling due between one and five years:		
Bank borrowings	2,905	3,874
	738,286	950,328

NOTES TO THE ACCOUNTS

18 COMMITMENTS TO GROUP COMPANY

The underlying principal amount of interest swap contracts and the replacement cost obtained by marking to market are:

	2003 £000	2002 £000
Underlying principal amount	276,064	362,346
Replacement cost	2,514	6,160

19 DATE OF APPROVAL

The directors approved the accounts on 9 June 2004.