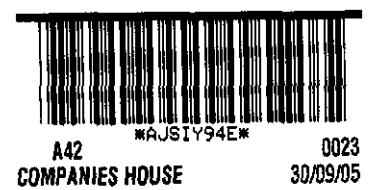


LLOYDS TSB LEASING LIMITED

31 December 2004

Member of Lloyds TSB Group



LLOYDS TSB LEASING LIMITED
25 Gresham Street London EC2V 7HN

DIRECTORS

A J Cumming
A R Foad
M W Joseph
A B Vowles (Alternate: A M Basing)

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 Lloyds TSB group.

At the end of the year the cost of leased assets amounted to £440,369,000 (2003: £549,902,000).

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

RESULTS AND DIVIDEND

The profit after taxation for the year ended 31 December 2004 amounted to £143,390,000 (2003: £81,289,000) as set out in the profit and loss account on page 6.

An interim dividend of £22,000,000 (2003: £48,000,000) was paid in September 2004. A further interim dividend of £30,000,000 will be paid in September 2005 (June 2004: £45,000,000).

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 M Basing*	7 July 2004	
M A Grant**		16 June 2005
M W Joseph	9 June 2004	
P B Miles		26 August 2005
G T Tate		5 May 2004

* alternate to A B Vowles

** alternate to M A Grant

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 2004 (or later date of appointment)	At 31 December 2004
A M Basing	13,370	13,850
A J Cumming	3,704	2,202
A R Foad	43,729	45,884
M A Grant	14,513	16,117
M W Joseph	29,492	61,193
P B Miles	71,216	72,373
A B Vowles	17,191	18,084

Options to acquire shares:

	At 1 January 2004 (or later date of appointment)	During the year (or since appointment during the year)		At 31 December 2004
		Granted	Exercised/Lapsed	
A M Basing	34,845	-	-	34,845
A J Cumming	52,181	30,292	-	82,473
A R Foad	32,324	15,118	436*	47,006
M A Grant	18,352	28,182	-	46,534
M W Joseph	284,524	-	31,632	252,892
P B Miles	40,867	19,081	-	59,948
A B Vowles	36,005	22,182	-	58,187

*During the year, these share options lapsed following termination of a savings contract 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.

REPORT OF THE DIRECTORS

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 judgments 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.

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 2004, 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

7 September 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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' 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.

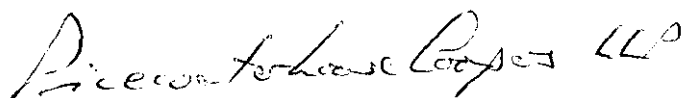
Basis of audit opinion

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 31 December 2004 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

7 September 2005

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) Change of accounting policy

Comparative figures have been restated to reflect a change of accounting policy:

The income and assets in the company's financial statements relating to investments in the Motability leasing partnership are now accounted for as loans and advances, rather than finance leases. The accounting policy has been changed because the directors consider the new policy to give a fairer presentation of the company's results for the year. This change has had no effect on the prior year profit before tax.

(d) 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.

(e) 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.

(f) Premises and equipment

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

(g) Investments in subsidiary undertakings

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

(h) 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.

(i) 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.

(j) Foreign currency translation

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

(k) 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 2004

	Note	2004 £000	2003 £000
TURNOVER	1	30,453	30,552
AMORTISATION OF LEASED ASSETS		(1,648)	(191)
		28,805	30,361
INTEREST INCOME	2	9,883	15,255
DIVIDENDS RECEIVABLE FROM SUBSIDIARY COMPANIES		130,234	34,860
OTHER OPERATING INCOME (NET)	3	17,747	36,041
		186,669	116,517
INTEREST EXPENSE	4	25,518	26,679
		161,151	89,838
OPERATING EXPENSES			
Administrative expenses	6	14,646	10,728
		146,505	79,110
PROFIT BEFORE TAXATION			
TAXATION CHARGE (CREDIT)	7	3,115	(2,179)
		143,390	81,289
PROFIT FOR THE FINANCIAL YEAR			
DIVIDENDS		52,000	93,000
		91,390	(11,711)
RETAINED PROFIT (LOSS) FOR THE FINANCIAL YEAR	15		

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 2004

	Note	2004 £000	2003 £000
ASSETS			
FIXED ASSETS			
Plant and equipment	9	65	32
Investments in subsidiary undertakings	10	35,804	35,791
		<u>35,869</u>	<u>35,823</u>
CURRENT ASSETS			
DEBTORS			
Finance lease receivables			
within one year		3,181	1,648
after more than one year		314,483	317,485
		<u>317,664</u>	<u>319,133</u>
Amounts owed by group companies	11	317,664	319,133
Loans and advances to customers	12	228,746	181,389
Other debtors	13	356,983	351,396
		1,330	7,476
		<u>940,592</u>	<u>895,217</u>
LIABILITIES			
SHAREHOLDER'S FUNDS			
Called up share capital	14	2,000	2,000
Reserves	15	106,262	14,872
		<u>108,262</u>	<u>16,872</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	17	138,691	136,822
CREDITORS			
Amounts owed to group companies	18	690,762	738,286
Other creditors		2,877	3,237
		<u>693,639</u>	<u>741,523</u>
		<u>940,592</u>	<u>895,217</u>



A R Foad
Director

7 September 2005

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

NOTES TO THE ACCOUNTS

1 TURNOVER

Turnover represents gross rentals and Motability loan interest receivable in the year.

2 INTEREST INCOME

	2004 £000	2003 £000
Interest income comprises:		
Interest receivable from group companies	9,882	15,248
Interest receivable from others	1	7
	9,883	15,255

3 OTHER OPERATING INCOME (NET)

Other operating income comprises fee income for the arrangement of leases of £5,048,000 (2003: £837,000), management fees receivable from group companies of £7,199,000 (2003: £6,919,000) and net profit arising on the sale of subsidiary companies of £5,500,000 (2003: £28,285,000).

4 INTEREST EXPENSE

	2004 £000	2003 £000
Interest expense comprises:		
Interest payable to group companies on bank loans, overdrafts and interest rate swaps	25,518	26,679

5 DIRECTORS' EMOLUMENTS

The aggregate of the emoluments of the directors was £484,702 (2003: £424,988).

Retirement benefits are accruing to 2 directors (2003: 2) under defined benefit pension schemes.

One director exercised share options (2003: nil).

The aggregate of the emoluments of the highest paid director was £249,562 (2003: £243,263). At the year end his accrued pension totalled £84,700 per annum (2003: £78,956) being his pension entitlement based on pensionable service with the group to 31 December 2004 but payable at normal retirement age.

6 ADMINISTRATIVE EXPENSES

	2004 £000	2003 £000
Administrative expenses comprises:		
Administrative expenses – staff costs and other expenses recharged by parent	14,396	10,500
Auditors remuneration – audit services	250	228
	14,646	10,728

NOTES TO THE ACCOUNTS

7 TAXATION

	2004 £000	2003 £000
(a) The (credit) charge for the period comprises:		
Group relief payable for the year	1,289	9,812
Adjustment in respect of prior years	(43)	(5,112)
Total group relief payable for year (Note 7(b))	1,246	4,700
Deferred taxation - current year (Note 17)	2,140	(4,701)
- adjustment in respect of prior years (Note 17)	(271)	(2,178)
	3,115	(2,179)

(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	146,505	79,110
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003:30%)	43,952	23,733
Permanent differences including dividend income	(40,523)	(18,652)
(Capital allowances for the year in excess of depreciation)		
Depreciation for the year in excess of capital allowances and other short term timing differences	(2,140)	4,701
Adjustment in respect of prior years	(43)	107
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))	1,246	4,700

The taxation charge on the profit for the year has been based on a United Kingdom corporation tax rate of 30% (2003: 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
Omnium Leasing Company	24.46	23 Great Winchester Street, London, EC2P 2AX

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.

LLOYDS TSB LEASING LIMITED

NOTES TO THE ACCOUNTS

9 PLANT AND EQUIPMENT

	Plant and equipment £000
Cost	
At 1 January 2004	36
Additions during the year	54
Disposals during the year	-
At 31 December 2004	90
Accumulated depreciation	
At 1 January 2004	4
Charge for the year	21
Disposals during the year	-
At 31 December 2004	25
Net book value at 31 December 2004	65
Net book value at 31 December 2003	32

10 INVESTMENTS

Investments in subsidiary undertakings	£000
At 1 January 2004	35,791
Acquisitions during the year	13
At 31 December 2004	35,804

Lloyds TSB General Leasing (No. 1) Limited, Lloyds TSB General Leasing (No. 2) Limited, Lloyds TSB General Leasing (No. 3) Limited, Lloyds TSB General Leasing (No. 4) Limited, Lloyds TSB General Leasing (No. 5) Limited, Lloyds TSB General Leasing (No. 6) Limited, Lloyds TSB General Leasing (No. 7) Limited, Lloyds TSB Equipment Leasing (No. 10) Limited, Lloyds TSB Equipment Leasing (No. 11) Limited, Lloyds TSB Leasing (No. 1) Limited, Lloyds TSB Leasing (No. 2) Limited, Lloyds TSB Leasing (No. 3) Limited, Lloyds TSB Leasing (No. 4) Limited, Lloyds TSB Leasing (No. 5) Limited, Lloyds TSB Leasing (No. 6) Limited, Lloyds TSB Leasing (No. 7) Limited, Lloyds TSB Leasing (No. 8) Limited, Lloyds TSB Maritime (No. 12) Limited, Lloyds TSB Maritime (No. 13) Limited, Lloyds TSB Maritime (No. 14) Limited, Lloyds TSB Maritime (No. 15) Limited, Lloyds TSB Maritime (No. 16) Limited, Lloyds TSB Maritime (No. 17) Limited, Lloyds TSB Maritime (No. 18) Limited and Lloyds TSB Maritime (No. 19) Limited, were incorporated as wholly owned subsidiaries of the company during the year. LBI Holdings Limited was acquired as a wholly owned subsidiary of the company during the year and was sold prior to the year end.

NOTES TO THE ACCOUNTS

10 INVESTMENTS (continued)

The principal subsidiary undertakings on 31 December 2004, 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 TSB General Leasing (No.1) Limited	31 March
Lloyds TSB General Leasing (No.2) Limited	31 March
Lloyds TSB General Leasing (No.3) Limited	31 December
Lloyds TSB General Leasing (No.4) Limited	31 December
Lloyds TSB General Leasing (No.5) Limited	30 June
Lloyds TSB General Leasing (No.6) Limited	30 June
Lloyds TSB General Leasing (No.7) Limited	30 September
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 Equipment Leasing (No. 10) Limited	31 December
Lloyds TSB Equipment Leasing (No. 11) Limited	31 December
Lloyds TSB Leasing (No. 1) Limited	31 March
Lloyds TSB Leasing (No. 2) Limited	31 December
Lloyds TSB Leasing (No. 3) Limited	31 December
Lloyds TSB Leasing (No. 4) Limited	30 June
Lloyds TSB Leasing (No. 5) Limited	30 June
Lloyds TSB Leasing (No. 6) Limited	30 September
Lloyds TSB Leasing (No. 7) Limited	31 December
Lloyds TSB Leasing (No. 8) Limited	31 March
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 LEASING LIMITED

NOTES TO THE ACCOUNTS

10 INVESTMENTS (continued)

	Accounting reference date
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 (No. 12) Limited	30 September
Lloyds TSB Maritime Leasing (No. 13) Limited	31 December
Lloyds TSB Maritime Leasing (No. 14) Limited	31 March
Lloyds TSB Maritime Leasing (No. 15) Limited	31 December
Lloyds TSB Maritime Leasing (No. 16) Limited	31 December
Lloyds TSB Maritime Leasing (No. 17) Limited	31 December
Lloyds TSB Maritime Leasing (No. 18) Limited	31 December
Lloyds TSB Maritime Leasing (No. 19) Limited	31 December
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.

11 FINANCE LEASE RECEIVABLES

	2004 £000	2003 £000
Future rentals	523,771	542,654
Less:		
Rentals received in advance	(20,439)	(20,618)
Income allocated to future periods	(185,668)	(202,902)
	<u>317,664</u>	<u>319,133</u>

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

Accumulated amortisation	102,266	210,151
--------------------------	---------	---------

12 AMOUNTS OWED BY GROUP COMPANIES

	2004 £000	2003 £000
Amounts due within one year:		
Bank deposits	96,463	147,730
Sums due from fellow subsidiary undertakings	10,510	10,290
Interest receivable	1,623	1,819
Dividends receivable	120,150	21,550
	<u>228,746</u>	<u>181,389</u>

13 LOANS AND ADVANCES TO CUSTOMERS

	2004 £000	2003 £000
Lending to customers	356,983	351,396

LLOYDS TSB LEASING LIMITED

NOTES TO THE ACCOUNTS

14 CALLED UP SHARE CAPITAL

	2004 £000	2003 £000
Authorised, allotted, issued and fully paid: ordinary shares of £1 each	2,000	2,000

The immediate parent company is Lloyds TSB Bank plc.

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.

15 RESERVES

	£000
At 1 January 2004	14,872
Retained profit for the year	91,390
At 31 December 2004	106,262

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2004 £000	2003 £000
Profit for the year after taxation	143,390	81,289
Dividends	52,000	93,000
Net increase (decrease) in shareholder's funds	91,390	(11,711)
Shareholder's funds at beginning of year	16,872	28,583
Shareholder's funds at end of year	108,262	16,872

17 DEFERRED TAXATION

	£000
At 1 January 2004	136,822
Charge for the year	1,869
At 31 December 2004	138,691

The balances at 1 January and 31 December 2004 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.

NOTES TO THE ACCOUNTS

18 AMOUNTS OWED TO GROUP COMPANIES

	2004 £000	2003 £000
Amounts falling due within one year:		
Bank overdraft	36,907	113,442
Bank borrowings	589,285	544,986
Amounts due to fellow subsidiary undertakings	17,710	1,133
Interest payable	7,559	6,657
Group relief payable	9,301	24,163
Interim dividend	30,000	45,000
	690,762	735,381
Amounts falling due between one and five years:		
Bank borrowings	-	2,905
	690,762	738,286

19 COMMITMENTS TO GROUP COMPANY

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

	2004 £000	2003 £000
Underlying principal amount	289,545	276,064
Replacement cost	1,068	2,514

20 DATE OF APPROVAL

The directors approved the accounts on 7 September 2005.