

LLOYDS BOWMAKER LEASING LIMITED

REPORT OF THE DIRECTORS AND ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1995



Registered number 665240

LLOYDS BOWMAKER LEASING LIMITED

DIRECTORS

D. A. Baggaley
A. G. Glass

REPORT OF THE DIRECTORS

The directors submit herewith the Balance Sheet at 30th September 1995, together with the Profit and Loss Account for the year ended on that date.

PROFIT AND DIVIDEND

The profit for the year is set out in the attached Profit and Loss Account. No dividend has been declared in respect of the year.

PRINCIPAL ACTIVITY

The principal activity of the company is leasing.

BUSINESS REVIEW

The level of business for the year was satisfactory and the directors expect that the current level of activity will be maintained for the foreseeable future.

FINANCIAL POSITION

The adverse balance on profit and loss account results from the extraordinary charge of £41,239,802 in the accounts for the year ended 30th September 1984 due to the changes in capital allowances and rates of corporation tax introduced by the Finance Act 1984. Retained profits at 30th September 1983 amounted to £705,135 after charging dividends of £46,000,000. The adverse balance carried forward at 30th September 1995 is £15,667,327.

In recognition of this situation Lloyds Bowmaker Limited has confirmed that it will provide such financial assistance as is necessary to maintain the company as a going concern.

DIRECTORS

Mr D. A. Baggaley and Mr A. G. Glass were directors throughout the year. Mr A. G. Glass resigned on 31st December 1995 and Mr P. F. Hook was appointed on that date.

None of the directors held a beneficial interest in the shares of the company during the year.

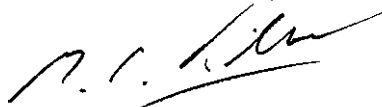
DIRECTORS (Continued)

The interests of the directors in shares and options to subscribe for shares in other group companies were as follows:-

	<u>At 30.9.95</u>		<u>At 1.10.94</u>	
	<u>Shares</u>	<u>Options</u>	<u>Shares</u>	<u>Options</u>
*In the ordinary shares of £1 each of Lloyds Bank Plc:				
D. A. Baggaley	-	-	-	-
A. G. Glass	6,392	-	6,392	-
In the ordinary shares of Lloyds Abbey Life plc:				
D. A. Baggaley	4,473	70,175	4,242	70,175
A. G. Glass	-	41,281	-	41,281

*2.704 Lloyds TSB Group plc ordinary shares were issued for every Lloyds Bank Plc ordinary share held on 27th December 1995.

By Order of the Board,



M. P. KILBEE
Secretary
9th April 1996

LLOYDS BOWMAKER LEASING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit of the company for that year. In preparing those accounts, 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 accounts; and
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 accounts 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.

REPORT OF THE AUDITORS
TO THE MEMBERS OF LLOYDS BOWMAKER LEASING LIMITED

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

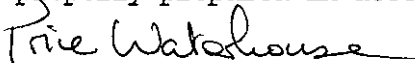
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material mis-statement, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors
Albany House
58 Albany Street
Edinburgh EH1 3QR
9th April 1996

LLOYDS BOWMAKER LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	3	8,757,146	9,745,811
OTHER OPERATING CHARGES		(2,792,605)	(2,212,101)
INTEREST RECEIVABLE		696	-
INTEREST PAYABLE	5	<u>(5,179,106)</u>	<u>(5,671,209)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	786,131	1,862,501
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	<u>(253,739)</u>	<u>(633,353)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		532,392	1,229,148
ADVERSE BALANCE BROUGHT FORWARD		<u>(16,199,719)</u>	<u>(17,428,867)</u>
ADVERSE BALANCE CARRIED FORWARD		<u><u>(15,667,327)</u></u>	<u><u>(16,199,719)</u></u>

There are no recognised gains and losses other than the profit for the year and all operations are continuing.

The notes on pages 6 to 9
form part of these accounts.


LLOYDS BOWMAKER LEASING LIMITED

BALANCE SHEET

AT 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
CURRENT ASSETS:			
Debtors: Due within one year	7	36,682,833	39,121,320
Due after more than one year	7	58,357,922	64,962,613
		<u>95,040,755</u>	<u>104,083,933</u>
CREDITORS: Amounts falling due within one year	8	(79,216,073)	(84,667,453)
NET CURRENT ASSETS		15,824,682	19,416,480
PROVISIONS FOR LIABILITIES AND CHARGES	9	(13,873,000)	(15,504,000)
ACCRUALS AND DEFERRED INCOME	10	(11,118,909)	(13,612,099)
NET LIABILITIES		<u>(9,167,227)</u>	<u>(9,699,619)</u>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	11	6,500,100	6,500,100
PROFIT AND LOSS ACCOUNT		(15,667,327)	(16,199,719)
		<u>(9,167,227)</u>	<u>(9,699,619)</u>

The notes on pages 6 to 9 form part of these accounts.


D. A. BAGGAILEY
Director

LLOYDS BOWMAKER LEASING LIMITED

NOTES TO THE ACCOUNTS

1. FINANCIAL POSITION

The adverse balance on profit and loss account results from the extraordinary charge of £41,239,802 in the accounts for the year ended 30th September 1984 due to changes in capital allowances and rates of corporation tax introduced by the Finance Act 1984. Retained profits at 30th September 1983 amounted to £705,135 after charging dividends of £46,000,000.

In recognition of this situation Lloyds Bowmaker Limited has confirmed that it will provide such financial assistance as is necessary to maintain the company as a going concern.

2. ACCOUNTING POLICIES

(a) Accounting Convention:

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempted from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with Financial Reporting Standard 1 is included in the accounts of an intermediate holding company, Lloyds Abbey Life plc.

(b) Deferred Income:

Leasing income is credited to the profit and loss account over the period of investment in proportion to the level of net funds invested.

(c) Deferred Taxation:

Deferred taxation is provided at appropriate rates of corporation tax in respect of timing differences where there is a reasonable probability that such taxation will become payable in the foreseeable future.

3. TURNOVER

Turnover represents the amount of leasing income earned under instalment finance arrangements.

During the year aggregate receivables were £39,760,990 (1994, £41,094,923) and the cost of assets acquired was £21,803,734 (1994, £22,614,837).

LLOYDS BOWMAKER LEASING LIMITED

NOTES TO THE ACCOUNTS

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1995</u> £	<u>1994</u> £
The following have been taken into account in arriving at the profit:		
Audit fee	40,000	40,000
Directors' emoluments	-	-
Bad and doubtful debts charge(credit)	151,699	(222,243)

5. INTEREST PAYABLE

On amounts due to parent company	5,179,106	5,671,209
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6. TAXATION

Current year:		
Corporation tax at 33%	1,522,433	1,310,760
Group relief payable at 33%	360,297	769,305
Transfer from deferred taxation	(1,631,000)	(1,469,625)
	251,730	610,440
Adjustments for previous years:		
Corporation tax	(1,235,248)	-
Group relief	1,237,257	9,288
Deferred taxation	-	13,625
	253,739	633,353

7. DEBTORS

	<u>1995</u>		<u>1994</u>	
	Due within <u>one year</u> £	Due after more than <u>one year</u> £	Due within <u>one year</u> £	Due after more than <u>one year</u> £
Trade debtors	32,014,141	58,357,922	29,460,701	64,962,613
Other debtors	1,995,131	-	1,354,934	-
Amounts owed by fellow subsidiary companies	2,673,561	-	8,305,685	-
	<u>36,682,833</u>	<u>58,357,922</u>	<u>39,121,320</u>	<u>64,962,613</u>

LLOYDS BOWMAKER LEASING LIMITED

NOTES TO THE ACCOUNTS

8. CREDITORS: Amounts falling due within one year	<u>1995</u> £	<u>1994</u> £
Amounts owed to parent and fellow subsidiary companies	64,980,880	63,790,990
Bank overdraft	8,106,338	14,397,908
Trade creditors	90,206	130,564
Other creditors	4,229,428	4,448,007
Corporation tax payable	1,522,427	1,310,760
Group relief payable	286,794	589,224
	<u>79,216,073</u>	<u>84,667,453</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred Taxation:	
Balance at 30th September 1994	15,504,000
Transfer to Profit and Loss Account	<u>(1,631,000)</u>
Balance at 30th September 1995	<u>13,873,000</u>

The amounts provided at 30th September 1995 and 1994 were the full potential liabilities and were attributable to accelerated capital allowances.

10. ACCRUALS AND DEFERRED INCOME	<u>1995</u> £	<u>1994</u> £
Unearned leasing income	11,115,489	13,609,321
Unearned insurance commission	3,420	2,778
	<u>11,118,909</u>	<u>13,612,099</u>

11. SHARE CAPITAL

Authorised, allotted, called-up and fully paid:

6,500,100 ordinary shares of £1 each	<u>6,500,100</u>	<u>6,500,100</u>
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LLOYDS BOWMAKER LEASING LIMITED

NOTES TO THE ACCOUNTS

12. APPROVAL OF ACCOUNTS

These accounts were approved by the Board of Directors on 9th April 1996.

13. PARENT COMPANIES

The company's ultimate parent company at the Balance Sheet date was Lloyds Bank Plc which is registered in England and Wales. A copy of its group accounts can be obtained from Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

As of 27th December 1995 the company's ultimate parent company is Lloyds TSB Group plc which is registered in Scotland. A copy of its group accounts can be obtained from Lloyds TSB Group plc, Henry Duncan House, 120 George Street, Edinburgh EH2 4LH.

The company's intermediate parent company is Lloyds Bowmaker Finance Limited which is registered in England and Wales. A copy of its group accounts can be obtained from Lloyds Bowmaker Finance Limited, Finance House, 51 Holdenhurst Road, Bournemouth BH8 8EP.