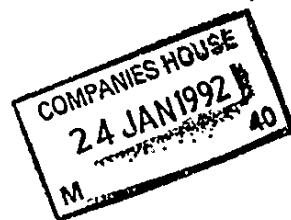


671321

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 1991



Lombard North Central Wheelease Limited is registered in England No.671321
Registered Office : Lombard House, 3 Princess Way, Redhill, Surrey, RH1 1NP.

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

DIRECTORS

B A Carte (Chairman)
J D Fitch
M A Maberly
J D Purdy

SECRETARY

M J Evans

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the accounts for the year ended 30 September 1991.

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of credit finance by way of instalment credit and leasing.

BUSINESS REVIEW

The net amount financed under all forms of financial agreement entered into during the year was £6,416,000 (1990 - £336,000).

The profit on ordinary activities before taxation was £9,286,000 (1990 - £630,000) on which there was a taxation charge of £1,959,000 (1990 - £42,000). The Directors recommend the payment of a final dividend of £19,500,000 (1990 - £550,000) and that the balance of £12,173,000 (1990 - £38,000) be dealt with as shown in the Profit and Loss Account on page 5.

The Company traded profitably during the year under review and the Directors expect that it will continue to do so.

DIRECTORS

The present members of the Board are as shown on page 1.

Mr M A Maberly was appointed to the Board on 22 October 1990

Mr J D Fitch was appointed to the Board on 1 July 1991, and will offer himself for re-election at the forthcoming Annual General Meeting.

Mr A A Mitchener retired from the Board on 22 October 1990

Mr R J Young retired from the Board on 30 June 1991

Mr B A Carte retires by rotation and being eligible offers himself for re-election.

DIRECTORS' INTERESTS

All of the Directors at the year end were also Directors of the holding company Lombard North Central PLC and were not therefore required to notify the Company of their interest in the share and loan capital of Group Undertakings.

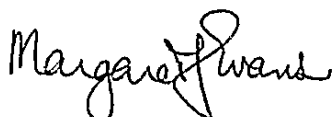
LOMBARD NORTH CENTRAL WHEELEASE LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

A resolution for the re-appointment of KPMG Peat Marwick as auditors is to be proposed at the Annual General Meeting.

By Order of the Board



Mrs Margaret J Evans
Secretary

13 December 1991

REPORT OF THE AUDITORS, KPM'S PEAT MARWICK, TO THE MEMBERS OF

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

We have audited the accounts on pages 5 to 14 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 30 September 1991 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Guildford
13 October 1991

KPMG Peat Marwick

Chartered Accountants
Registered Auditor

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1991

	Notes	1991 <u>£'000</u>	1990 <u>£'000</u>
Turnover	2	11,974	8,087
Operating charges	3	<u>(1,530)</u>	<u>(4,868)</u>
		10,444	3,219
Interest receivable	4	759	1,288
Interest payable	6	<u>(1,917)</u>	<u>(3,877)</u>
Profit on ordinary activities before taxation		9,286	630
Taxation charge on profit on ordinary activities	7	<u>(1,959)</u>	<u>(42)</u>
Profit on ordinary activities after taxation		7,327	588
Proposed ordinary dividend		(19,500)	(550)
(Loss)/profit for the financial year transferred (from)/to general reserve	10	<u>(12,173)</u>	<u>38</u>

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

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

BALANCE SHEET

AT 30 SEPTEMBER 1991

	Notes	1991 £'000	1990 £'000
<u>ASSETS</u>			
CURRENT ASSETS			
Debtors	8	70,617	79,591
		<u>70,617</u>	<u>79,591</u>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	9	25	25
General reserve	10	5,277	17,450
		<u>5,302</u>	<u>17,475</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	20,605	25,398
CREDITORS	12	44,710	36,718
		<u>70,617</u>	<u>79,591</u>



Brian Addison Carte

Director

Approved by the Board on 13 December 1991

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

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30 SEPTEMBER 1991

	1991 <u>£'000</u>	1990 <u>£'000</u>
SOURCE OF FUNDS		
Profit on ordinary activities after taxation	7,327	588
Adjustments for non-cash items:		
Transfer from Deferred taxation	(4,793)	(5,409)
	<hr/>	<hr/>
TOTAL GENERATED FROM/(ABSORBED BY) OPERATIONS	2,534	(4,821)
 APPLICATION OF FUNDS		
Dividends paid	(550)	(2,000)
	<hr/>	<hr/>
	1,984	(6,821)
 INCREASE/(DECREASE) IN WORKING CAPITAL		
Debtors	(8,974)	(26,570)
Creditors	10,958	19,749
	<hr/>	<hr/>
	1,984	(6,821)

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

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared upon the basis of historical cost and in accordance with applicable accounting standards.

(b) Finance Leases

Assets made available to third parties under finance leases are treated as amounts receivable.

Income from finance leases is credited to Profit and Loss Account in proportion to the funds invested.

(c) Income from Instalment Credit Business

Charges and interest on instalment credit agreements are credited to Profit and Loss Account in proportion to the monthly balances outstanding.

(d) Regional Development Grants

Regional Development Grants are grossed up to reflect their tax free nature and are credited to Profit and Loss Account as income from finance leases.

(e) Deferred Taxation

Deferred Taxation is provided on the liability method on all timing differences to the extent that a taxation liability is expected to arise in the future.

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

NOTES TO THE ACCOUNTS (Continued)

2. TURNOVER

- i) Turnover represents lease income, charges on instalment credit agreements and termination adjustments credited to the Profit and Loss Account during the year, all of which arises in the United Kingdom.

	1991 <u>£'000</u>	1990 <u>£'000</u>
ii) Net amounts financed under finance leases entered into during the year	<u>6,416</u>	<u>336</u>
iii) Aggregate rentals receivable during the year were as follows:		
Finance leases	19,491	26,509
Instalment credit agreements	<u>50</u>	<u>82</u>
	<u>19,541</u>	<u>26,591</u>

3. OPERATING CHARGES

There is no charge in this year's accounts for auditors' remuneration as the fee is to be charged in the holding Company's accounts (1990-£nil).

4. INTEREST RECEIVABLE

	1991 <u>£'000</u>	1990 <u>£'000</u>
From National Westminster Bank Group undertakings	<u>759</u>	<u>1,288</u>

5. DIRECTORS' REMUNERATION AND INTERESTS

No emoluments were paid to any Director during the year (1990 - £nil).

None of the Directors had any material interest in any contract of significance in relation to the business of the Company.

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

NOTES TO THE ACCOUNTS (Continued)

6. INTEREST PAYABLE

	1991 <u>£'000</u>	1990 <u>£'000</u>
On bank loans and overdrafts, and other loans wholly repayable within five years:		
From National Westminster Bank Group undertakings	1,917	3,671
Other	—	206
	<u>1,917</u>	<u>3,877</u>

7. TAXATION CHARGE

	1991 <u>£'000</u>	1990 <u>£'000</u>
UK corporation tax based on the results for the year at 33.5% (1990 – 35%)	(6,190)	(5,566)
Transfer from Deferred taxation	3,147	5,487
Net effect of the changes in corporation tax rate contained in the Finance Act 1991	946	—
Notional tax on Regional Development grants credited to profit and loss Account	—	(83)
Revision in respect of prior years	138	120
	<u>(1,959)</u>	<u>(42)</u>

* Provision for group relief is made on the assumption that the claimant Companies will make payment to the surrendering Companies at rates appropriate to the periods in which the losses claimed are utilised.

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

NOTES TO THE ACCOUNTS (Continued)

8. DEBTORS

	1991 <u>£'000</u>	1990 <u>£'000</u>
Amounts falling due:		
i) Wholly within one year		
Amounts owed by National Westminster		
Bank Group undertakings	9,269	2,496
Trade debtors	<u>136</u>	<u>362</u>
	<u>9,405</u>	<u>2,858</u>
ii) Not wholly within one year		
Net investment in finance leases* due:		
Within one year	12,783	19,010
In more than one year	<u>48,406</u>	<u>57,656</u>
	<u>61,189</u>	<u>76,666</u>
Net investment in instalment credit agreements due:		
Within one year		
In more than one year	21	41
	<u>2</u>	<u>26</u>
	<u>23</u>	<u>67</u>
Total debtors	<u>70,617</u>	<u>79,591</u>

* This includes amounts receivable of £18,158,000 (1990 - £20,179,000) in respect of assets charged in favour of third parties, and £359,000 (1990 - £593,000) in respect of capitalised interest.

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

NOTES TO THE ACCOUNTS (Continued)

9. CALLED UP SHARE CAPITAL

	1991		1990	
	Authorised	Allotted issued and fully paid	Authorised	Allotted issued and fully paid
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
200,000 Ordinary shares of 12½p each	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>

10. GENERAL RESERVE

	<u>£'000</u>
Balance at 1 October 1990	17,450
Transfer to profit and loss Account	<u>(12,173)</u>
Balance at 30 September 1991	<u>5,277</u>

11. DEFERRED TAXATION

	1991	1990
	<u>£'000</u>	<u>£'000</u>
Full potential liability in respect of capital allowances	<u>20,605</u>	<u>25,398</u>

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

NOTES TO THE ACCOUNTS (Continued)

12. CREDITORS

Amounts falling due:	1991	1990
	<u>£'000</u>	<u>£'000</u>

i) Wholly within one year

Amounts owed to National Westminster		
Bank Group undertakings	520	753
Trade creditors	9,545	434
Current corporation tax	6,147	12,899
Proposed dividend	19,500	550
Other creditors	498	614
	<u>36,210</u>	<u>15,250</u>

**Loans from National Westminster Bank
Group undertakings**

Not wholly repayable within five years* due

Within one year	5,000	12,968
Between one and five years	<u>3,500</u>	<u>8,500</u>
	<u>8,500</u>	<u>21,468</u>

Total creditors	<u><u>44,710</u></u>	<u><u>36,718</u></u>
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* Includes a loan of £8,500,000 (1990 – £8,500,000) at an interest rate of 13.75% per annum repayable on the following dates:

	<u>£'000</u>
7 October 1991	5,000
9 March 1992	2,000
9 March 1993	<u>1,500</u>
	<u>8,500</u>

LOMBARD NORTH CENTRAL WHEELEASE LIMITED

NOTES TO THE ACCOUNTS (Continued)

13. FORWARD SALE OF FOREIGN CURRENCY

Certain rentals in respect of leasing contracts are receivable in foreign currency and contracts have been entered into to sell such currencies on receipt to National Westminster Bank PLC at agreed rates of exchange. At the Balance Sheet date, the outstanding forward sale contracts amounted to £4,640,000 (1990 - £8,352,000).

14. HOLDING COMPANY

The immediate holding Company is Lombard North Central PLC, the ultimate holding Company being National Westminster Bank PLC; both are registered in England and Wales.

Copies of the accounts of Lombard North Central PLC can be obtained from:
The Secretary, Lombard North Central PLC, Lombard House, 3 Princess Way, Redhill,
Surrey RH1 1NP.

Copies of the accounts of National Westminster Bank PLC can be obtained from:
The Secretary, National Westminster Bank PLC, 41 Lothbury, London EC2 2BP.