

**LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 1997**

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



**LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

**DIRECTORS**

J Johnson  
H M Roome

**SECRETARY**

H E Bromley

# **LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

## **DIRECTORS' REPORT**

The directors have pleasure in submitting their report and the financial statements for the year ended 30 September 1997.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is the provision of credit finance by way of leasing.

### **BUSINESS REVIEW**

The net amount financed under all forms of financial agreements entered into during the year was £nil. The results for the year are set out in the profit and loss account on page 5. The directors have approved an interim dividend of £385,000.

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

### **DIRECTORS**

The present directors are as shown on page 1.

Mr J D Purdy resigned from the board on 31 December 1996.

### **DIRECTORS' INTERESTS**

All of the directors at the year end were also directors of the immediate parent undertaking, Lombard North Central PLC, a company which is itself required to keep a register of directors' interests. The directors were not therefore required to notify their interests in the shares or debentures of National Westminster Bank Plc group undertakings to the company.

By order of the board



Heidi E Bromley

Secretary

8 June

1998

## **LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:-

- i. select suitable accounting policies and then apply them consistently;
- ii. make judgements and estimates that are reasonable and prudent;
- iii. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- iv. prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**REPORT OF THE AUDITORS, KPMG Audit Plc, TO THE MEMBERS OF**

**LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

We have audited the financial statements on pages 5 to 11.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**Chartered Accountants  
Registered Auditor**

**London**

*22 June* 1998

**LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 SEPTEMBER 1997**

	Note	1997 £'000	1996 £'000
Turnover	2	749	689
Operating charges		(51)	2,319
		<hr/>	<hr/>
<b>Operating profit</b>	3	698	3,008
Interest receivable	4	-	2,180
Interest payable	5	(335)	(2,565)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		363	2,623
Taxation credit/(charge) on profit on ordinary activities	7	23	(79)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		386	2,544
Dividends		(385)	(2,500)
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>	10	<u>1</u>	<u>44</u>

**RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £386,000 in the year ended 30 September 1997 and of £2,544,000 in the year ended 30 September 1996.

The notes on pages 7 to 11 form part of these financial statements.


**LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

**BALANCE SHEET**

**AT 30 SEPTEMBER 1997**

	Note	1997 £'000	1996 £'000
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Debtors falling due within one year	8	11,876	16,028
Debtors falling due after more than one year	8	3,060	6,407
		<u>14,936</u>	<u>22,435</u>
<b><u>LIABILITIES</u></b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	25	25
Profit and loss account	10	<u>296</u>	<u>295</u>
		321	320
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	1,663	2,813
<b>CREDITORS</b>			
	13	<u>12,952</u>	<u>19,302</u>
		<u>14,936</u>	<u>22,435</u>

The financial statements were approved at a meeting of the board of directors on  
8 June 1998 and were signed on their behalf by:

  
Jeffrey Johnson Director

All of the above share capital relates to equity funds.

The notes on pages 7 to 11 form part of these financial statements.

# **LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

#### **a. Accounting Convention**

The financial statements 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 the profit and loss account in proportion to the funds invested.

#### **c. Deferred Taxation**

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

#### **d. Related Party Transactions/Cash Flow Statements**

The company is exempt from the disclosure requirements of Financial Reporting Standard 8, Related Party Disclosures, as it is a wholly owned subsidiary undertaking of Lombard North Central PLC. Similarly, as a wholly owned subsidiary undertaking, the company is exempt under Financial Reporting Standard 1, Cash Flow Statements, from the requirement to prepare a cash flow statement.

### **2. TURNOVER**

- (i) Turnover represents lease income and termination adjustments credited to the profit and loss account during the year, all of which arises in the United Kingdom and is from continuing activities.

	<b>1997</b> <b><u>£'000</u></b>	<b>1996</b> <b><u>£'000</u></b>
(ii) Net amounts financed under finance leases entered into during the year	<u>-</u>	<u>5</u>
(iii) Aggregate rentals receivable during the year under finance leases	<u>3,828</u>	<u>8,398</u>

- (iv) The company has finance leases with customers which include tax variation clauses. The Finance (No. 2) Act 1997 reduced the rate of corporation tax from 33% to 31%, with effect from 1 April 1997. This change in tax rate has generated consequential adjustments of £198,011 which have been set against turnover arising in the year.

**LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. OPERATING PROFIT**

There is no charge in this year's financial statements for auditors' remuneration as the fee is to be charged in the financial statements of the immediate parent undertaking (1996 - £nil).

<b>4. INTEREST RECEIVABLE</b>	<b>1997</b>	<b>1996</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
From National Westminster Bank Plc group undertakings	<u>-</u>	<u>2,180</u>

<b>5. INTEREST PAYABLE</b>	<b>1997</b>	<b>1996</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
On bank loans and overdrafts, and other loans:		
From National Westminster Bank Plc group undertakings	<u>335</u>	<u>2,565</u>

**6. DIRECTORS' REMUNERATION AND INTERESTS**

No emoluments were paid to any director by the company during the year (1996 - £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 FINANCIAL STATEMENTS (CONTINUED)**

<b>7. TAXATION (CREDIT)/CHARGE ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>1997 £'000</b>	<b>1996 £'000</b>
U K corporation tax at 32% (1996 - 33%)	1,126	2,546
Transfer from deferred tax (note 12)	(978)	(2,466)
Net deferred tax effect of change in corporation tax rates contained in the Finance (No. 2) Act 1997 (note 12)	(171)	-
Adjustments in respect of prior years:		
U K corporation tax	3,755	(3,720)
Deferred tax (note 12)	(1)	-
Group relief (receivable)/payable *	(3,754)	3,719
	<u>(23)</u>	<u>79</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.

<b>8. DEBTORS</b>	<b>1997 £'000</b>	<b>1996 £'000</b>
Amounts falling due:		
i) Within one year		
Trade debtors	47	1
Amounts owed by National Westminster Bank Plc group undertakings	9,044	5,083
Net investment in finance leases*	2,785	4,126
Other debtors	-	6,818
	<u>11,876</u>	<u>16,028</u>
ii) After more than one year		
Net investment in finance leases*	3,060	6,407
Total debtors	<u>14,936</u>	<u>22,435</u>

\* This includes amounts receivable of £5,522,186 (1996 - £9,581,000) in respect of assets charged in favour of third parties.

**LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. CALLED UP SHARE CAPITAL**

	<b>1997</b>		<b>1996</b>	
	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Ordinary shares of £0.125 each	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>

**10. PROFIT AND LOSS ACCOUNT**

	<b><u>£'000</u></b>
Balance at 1 October 1996	295
Retained profit for the financial year	1
Balance at 30 September 1997	<u>296</u>

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b><u>1997</u></b>	<b><u>1996</u></b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Profit attributable to members of the company	386	2,544
Dividends	(385)	(2,500)
Net movement in shareholders' funds	<u>1</u>	<u>44</u>
Opening shareholders' funds	320	276
Closing shareholders' funds	<u>321</u>	<u>320</u>

**LOMBARD NORTH CENTRAL WHEELEASE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12. DEFERRED TAXATION**

	<b><u>£'000</u></b>
Balance at 1 October 1996	2,813
Transfer to profit and loss account (note 7)	(1,150)
Balance at 30 September 1997	<u><u>1,663</u></u>

The above balance represents the full potential liability in respect of capital allowances.

**13. CREDITORS**

	<b><u>1997</u></b>	<b><u>1996</u></b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Amounts falling due within one year:		
Trade creditors	55	10
Amounts owed to National Westminster Bank Plc		
group undertakings	11,811	14,169
Current corporation tax	610	2,546
Other creditors	91	77
Proposed dividends	385	2,500
	<u><u>12,952</u></u>	<u><u>19,302</u></u>

**14. ULTIMATE PARENT UNDERTAKING**

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

Copies of the financial statements 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 financial statements of National Westminster Bank Plc can be obtained from:  
The Secretary, National Westminster Bank Plc, 41 Lothbury, London, EC2P 2BP.