

168

DIAL CONTRACTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31st December 1982.

ACTIVITIES

The principal activity of the company is the rental of motor vehicles on contract hire and on lease.

PROFIT AND APPROPRIATIONS

The company's profit for the period after taxation was £1,272,315. The directors recommend a dividend of £700,000.

DIRECTORS

The directors of the company during the period were:-

P. Rodney Pollard - Chairman
H.A. Henderson - Managing
S.G. Errington
P.E. Howroyd
M. Roselman
J.A.L. Faulkner
W.A. Gamble
S.M. Burns

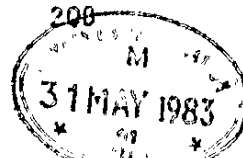
DIRECTORS' INTERESTS

Under the Rules of the Barclays Bank PLC 1979 Profit Sharing Scheme, eligible directors, in common with other employees of Barclays Bank PLC Group Companies, may acquire beneficial interests in Ordinary Stock of the Bank. They may also participate in the Barclays Bank PLC Save As You Earn Stock Option Scheme under which rights are granted to purchase Ordinary Stock upon the expiry of 5 or 7 year periods. Allocations and option prices under the Schemes are related to prices ruling on The Stock Exchange immediately following announcements of the Bank's annual results.

Mr. P. Rodney Pollard and Mr S.G. Errington are directors of the immediate holding company and are not required to notify their interests to the company. The interests of the other directors in the share and loan capital of the ultimate holding company and its subsidiaries at 1st January 1982 and 31st December 1982 were:

December 1982 were:

<u>Ordinary stock units of £1 each of Barclays Bank PLC</u>				
<u>At 31st December 1982</u>		<u>At 1st January 1982</u>		
<u>Beneficial</u>	<u>Options</u>	<u>Beneficial</u>	<u>Options</u>	
H.A. Henderson	85	1237	502	-
P.E. Howroyd	696	1237	416	666
M. Roselman	912	-	549	-
G.A.L. Faulkner	731	1237	434	666
W.A. Gamble	-	982	-	820
S.M. Burns	432	-	208	-



DIAL CONTRACTS LIMITED

REPORT OF THE DIRECTORS (continued)

AUDITORS

In accordance with Section 14 of the Companies Act 1976, a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD



Secretary
7-17 Ansde11 Street
Kensington Square
London W8

AUDITORS' REPORT
TO THE MEMBERS OF DIAL CONTRACTS LIMITED

We have audited the financial statements on pages 4 to 12 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1982 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Anthony Markham - Sell

Chartered Accountants

London

DIAL CONTRACTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR TO 31ST DECEMBER 1982

	<u>Notes</u>	<u>1982</u>	<u>1981</u>
		£	£
TURNOVER	6	<u>£52,444,743</u>	<u>£24,707,557</u>
PROFIT BEFORE TAXATION	7 & 8	<u>2,658,452</u>	<u>2,143,463</u>
TAXATION	9	<u>1,386,137</u>	<u>1,119,417</u>
		<u>1,272,315</u>	<u>1,024,046</u>
PROPOSED DIVIDEND		<u>700,000</u>	<u>700,000</u>
RETAINED PROFIT FOR PERIOD		<u>572,315</u>	<u>324,046</u>
RETAINED PROFITS AT 31ST DECEMBER 1981		<u>527,732</u>	<u>203,686</u>
RETAINED PROFITS AT 31ST DECEMBER 1982		<u>£ 1,100,047</u>	<u>£ 527,732</u>

DIAL CONTRACTS LIMITED

BALANCE SHEET 31ST DECEMBER 1982

	<u>Notes</u>	<u>1982</u> £	<u>1981</u> £
FUNDS EMPLOYED			
SHARE CAPITAL	11	100,000	100,000
RETAINED PROFITS		1,100,047	527,732
		<u>1,200,047</u>	<u>627,732</u>
DEFERRED TAXATION	1 & 10	6,083,467	8,312,909
LOANS AND OVERDRAFTS			
Loan from holding company and fellow subsidiaries		47,077,255	25,416,961
Loan from ultimate holding company		146,346	-
Secured loan		16,383	16,913
Bank overdraft		1,221,489	1,910,562
		<u>48,461,473</u>	<u>27,344,436</u>
		<u>£55,744,987</u>	<u>£36,285,077</u>
USE OF FUNDS			
FIXED ASSETS	1 & 3	167,147	125,574
ASSETS ON HIRE AND LEASE	1 & 4	54,955,892	36,395,776
INVESTMENT IN SUBSIDIARIES	5	936,084	6,084
LOANS TO SUBSIDIARIES		1,051,566	472,158
STOCKS	1	16,249	12,850
DEBTORS AND PREPAYMENTS		3,004,394	2,199,225
CASH		2,587	1,553
		<u>60,152,919</u>	<u>39,213,220</u>
CURRENT LIABILITIES			
Creditors		1,379,566	938,821
Deferred maintenance income		1,132,294	767,143
Rentals received in advance		682,959	515,595
Amount owing to subsidiaries		516,613	5,984
Dividends		740,000	706,000
		<u>4,451,432</u>	<u>2,925,143</u>
		<u>£55,744,987</u>	<u>£36,285,077</u>

M. J. J. J. J. J.
M. J. J. J. J. J.
 Directors

Approved by the Board on 11/1/83

DIAL CONTRACTS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST DECEMBER 1982

SOURCE OF FUNDS

FUNDS GENERATED FROM OPERATIONS

Profit before taxation
Adjustment for items not involving the
movement of funds:
Depreciation

<u>1982</u>	<u>1981</u>
£	£
2,658,452	2,143,463
13,865,801	10,087,735
<u>16,524,253</u>	<u>12,231,198</u>

FUNDS FROM OTHER SOURCES

Proceeds from disposal of motor
vehicles on contract hire and lease
Increase in loan from holding company
Receipts in respect of group relief

7,108,866	7,873,274
20,261,860	1,048,607
-	2,715,580
<u>27,370,726</u>	<u>11,637,461</u>
<u>43,894,979</u>	<u>23,868,659</u>

APPLICATION OF FUNDS

Investment in new subsidiary
Purchase of assets for contract hire
and lease
Purchase of fixed assets
Dividend paid
Decrease in secured loan
Increase in loan to subsidiaries
Payment in respect of group relief

950,000	-
39,491,510	23,377,384
84,846	69,997
700,000	216,000
530	1,974
768,041	455,143
1,862,166	-
<u>43,877,093</u>	<u>24,120,498</u>
<u>£ 17,886</u>	<u>£ (251,839)</u>

INCREASE (1981 DECREASE) IN WORKING CAPITAL
Increase (1981 decrease) in stocks
Increase in debtors
Increase in creditors
Increase in deferred maintenance income
Increase (1981 decrease) in rentals
received in advance
Increase in amounts due to subsidiaries
Decrease (1981 increase) in bank overdrafts
Increase in cash

3,399	(1,053)
805,169	627,324
(440,245)	(281,826)
(364,551)	(49,504)
(167,364)	256,379
(508,629)	-
689,073	(803,159)
1,034	-
<u>£ 17,886</u>	<u>£ (251,839)</u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1982

1. ACCOUNTING POLICIES

a) Basis of accounting

The company prepares its accounts on the historical cost basis of accounting.

b) Depreciation of assets on Contract Hire and Lease

i) Motor vehicles on contract hire:

The cost less estimated residual value of motor vehicles on contract hire is depreciated on a straight line basis over the period of hire. The difference between sale proceeds and estimated residual value is taken to profit and loss account in the year of disposal of the vehicle.

ii) Motor vehicles on lease:

The cost less agreed residual value of leased motor vehicles is depreciated over the lease period on a rising scale resulting from net leasing income (total rental income less the excess of vehicle cost over the agreed residual value) being taken to credit in relation approximately to the funds invested in the asset.

iii) Other assets on lease:

The cost of other assets on lease is depreciated on a straight line basis over a period of five years.

c) Depreciation of Fixed Assets

Leasehold improvements are amortised by equal instalments over the period of the lease. Plant and equipment and office furniture is depreciated at the rate of 15% per annum on a straight line basis.

d) Deferred taxation

Deferred taxation is provided under the liability method, at the current rate of corporation tax of 52%, in respect of the full amount of timing differences, details of which are given in note 10.

e) Stocks

Stocks are valued at the lower of invoiced cost to the company and net realisable value.

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1982 (continued)

1. ACCOUNTING POLICIES (continued)

f) Deferred Maintenance Income

In the case of hire contracts inclusive of vehicle maintenance, part of the rental charged to customers is in respect of maintenance costs to be incurred during the contract period. Any excess of the maintenance rental charged to date, in respect of a vehicle, over expenditure incurred to date, is carried forward to the subsequent accounting period to offset the increased maintenance costs likely to arise in the remainder of the contract period. Any excess of maintenance costs incurred on a vehicle at 31st December over the estimate of costs to be incurred by that date is written off.

2. SECURED LOAN

The loan is secured on the leasehold property occupied by the company and is repayable by varying instalments over 42 years, the loan being interest free.

3. FIXED ASSETS

	Leasehold property more than 50 years	Leasehold improvements under 50 years	Plant, equipment and office furniture	Total
	£	£	£	£
COST				
At 1st January 1982	-	62,562	203,367	265,929
Additions during year	38,000	1,175	45,671	84,846
Fully depreciated assets written off	-	-	(19,867)	(19,867)
At 31st December 1982	38,000	63,737	229,171	330,908
DEPRECIATION				
At 1st January 1982	-	30,109	110,246	140,355
Charge for the year	-	10,500	32,773	43,273
Fully depreciated assets written off	-	-	(19,867)	(19,867)
At 31st December 1982	-	40,609	123,152	163,761
NET BOOK VALUES				
At 31st December 1982	£38,000	£23,128	£106,019	£167,147
At 31st December 1981	£ -	£32,453	£ 93,121	£125,574

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1982 (continued)

3. FIXED ASSETS (continued)

Capital expenditure in respect of which contracts had been placed at 31st December 1982 amounted to £NIL (1981 NIL)

4. ASSETS ON HIRE AND LEASE

	Motor vehicles on hire	Motor vehicles on lease	Other assets on lease	Total
COST				
At 1st January 1982	31,397,895	20,252,269	-	51,650,164
Additions during year	25,920,290	13,307,776	263,444	39,491,510
Disposals during year	(10,645,276)	(5,822,961)	-	(16,468,237)
At 31st December 1982	<u>46,672,909</u>	<u>27,737,084</u>	<u>263,444</u>	<u>74,673,437</u>
DEPRECIATION				
At 1st January 1982	8,140,103	7,114,285	-	15,254,388
Charge for the year	8,400,140	5,417,997	4,391	13,822,528
Elimination in respect of disposals	(10,25,530)	(3,573,841)	-	(9,359,371)
At 31st December 1982	<u>10,54,713</u>	<u>8,958,441</u>	<u>4,391</u>	<u>19,717,545</u>
NET BOOK VALUES				
At 31st December 1982	<u>£35,918,196</u>	<u>£18,778,643</u>	<u>£259,053</u>	<u>£54,955,892</u>
At 31st December 1981	<u>£23,257,792</u>	<u>£13,137,984</u>	<u>£ -</u>	<u>£36,395,776</u>
 Future rentals under current agreements in respect of vehicles and other assets on lease		<u>£22,799,179</u>	<u>£292,678</u>	

At 31st December 1982 commitments for the purchase of additions to motor vehicles on hire amounted to £3,653,845 (1981 £4,458,240).

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1982 (continued)

5. INVESTMENT IN SUBSIDIARIES

	<u>1982</u> <u>£</u>	<u>1981</u> <u>£</u>
Shares at cost	<u>956,084</u>	<u>6,084</u>

At 31st December 1982, the company held the entire share capital of Ringwest Motors Limited, Network Vehicles Limited and Dialcard Limited.

Group accounts are not presented since the company is a wholly-owned subsidiary of another company incorporated in Great Britain.

In the opinion of the directors the value of the company's interest in its subsidiaries is not less than the amount at which it is stated in the balance sheet.

6. TURNOVER

Turnover represents the total rentals receivable under agreements entered into during the period for the contract hire and lease of motor vehicles before deducting any refund of rentals related to disposal proceeds which becomes payable on the termination of a lease.

7. PROFIT BEFORE TAXATION

This is arrived at after charging:

	<u>1982</u> <u>£</u>	<u>1981</u> <u>£</u>
Interest payable:		
Holding company	3,545,391	2,280,488
Bank overdraft	212,146	132,144
Secured loan	-	(20)
Other loans	1,404	-
Depreciation of fixed assets	43,273	45,381
Depreciation of contract and lease fleets	13,822,528	10,042,355
Auditors' remuneration	<u>16,173</u>	<u>14,755</u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1982 (continued)

8. DIRECTORS' EMOLUMENTS

Emoluments as executives

Analysis of directors' emoluments (excluding pension fund contributions):

Chairman
Highest paid director

Other directors within the range:-

£ Nil - £ 5,000
£15,001 - £20,000
£20,001 - £25,000

<u>1982</u>	<u>1981</u>
£	£
£ 120,463	£ 86,900

£	£
Nil	Nil
£ 45,445	£ 32,519

3	5
1	1
2	1

9. TAXATION

i) Current year

Amount payable in respect of tax appropriate to group relief on the company's profit for taxation purposes

Less: Transfer from deferred taxation

3,410,591	5,104,699
(2,023,351)	(3,985,282)
<u>1,387,240</u>	<u>1,119,417</u>

ii) Prior years

Reduction in amounts receivable from group companies in respect of tax appropriate to group relief on the company's losses for taxation purposes in previous years

Less: Transfer from deferred taxation

204,988	-
(206,091)	-
<u>(1,103)</u>	<u>-</u>
<u>£1,386,137</u>	<u>£1,119,417</u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1982 (continued)

10. DEFERRED TAXATION

Deferred taxation is accounted for under the liability method in respect of the following:

	<u>1982</u>	<u>1981</u>
	£	£
Excess capital allowances, on fixed assets and motor vehicles on contract hire and lease, over depreciation	6,743,623	8,541,985
Deferred maintenance income and other timing differences	(660,156)	(229,076)
	<u>£6,083,467</u>	<u>£8,312,909</u>

11. SHARE CAPITAL

	<u>1982</u>	<u>1981</u>
	£	£
Authorised issued and fully paid 100,000 shares of £1 each	<u>£100,000</u>	<u>£100,000</u>

12. ULTIMATE HOLDING COMPANY

The ultimate holding company is Barclays Bank PLC, which is incorporated in Great Britain.

13. DISCLOSURE REQUIREMENTS

The company is not yet required to comply with the accounting and disclosure requirements of Part 1 of the Companies Act 1981. These financial statements are drawn up in accordance with Section 149A of, and Schedule 8A to, the Companies Act 1948.