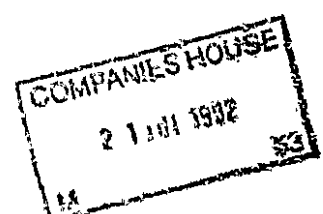


UNITED DOMINIONS LEASING LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 1991

REGISTERED NUMBER: 824614



REPORT OF THE DIRECTORS

The directors present the audited financial statements for the year ended 31 October 1991.

PRINCIPAL ACTIVITY

The principal activity of the Company is the leasing of passenger cars and other vehicles, plant and equipment.

There have been no significant changes in the business during the year under review and none are envisaged by the directors.

BUSINESS REVIEW AND RESULTS FOR THE YEAR

The result for the year after taxation was a profit of £490,000 (1990 - £68,000) which has been added to the retained profit brought forward of £1,195,000 leaving a retained profit of £1,685,000 to be carried forward.

DIVIDENDS

The directors do not recommend the payment of a dividend (1990 - £Nil).

DIRECTORS

The directors who served during the year were:

J L Davies

D K Potts

## DIRECTORS' INTERESTS IN SHARE CAPITAL

The directors' beneficial interests in ordinary shares of 25p each in the Company's ultimate parent company, TSB Group plc, at 1 November 1990 and at 31 October 1991, are shown below.

	At 31.10.91		At 1.11.90	
	Shares	Shares under option	Shares	Shares under option
J L Davies	150	83,142	5,650	54,524
D K Potts	2,966	23,173	2,421	20,100

The options to purchase shares were granted under the terms of the executive share option and sharesave schemes of the TSB Group and are exercisable in normal circumstances between 1991 and 2001 at prices ranging from 96 pence to 146.5 pence per share. Increases in options shown above arose as a result of the grant of options during the year; no options were exercised.

Except as disclosed above, no director held any interests in shares or debentures of TSB Group plc or any of its subsidiary undertakings at 1 November 1990 or at 31 October 1991.

## AUDITORS

The Company has elected under Section 379A Companies Act 1985 to dispense with the obligation to appoint auditors annually. KPMG Peat Marwick as current auditors of the Company are thereby deemed to be re-appointed.

By order of the board

*B J Marsh*

B J Marsh

Secretary

6 JULY 1992

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE  
MEMBERS OF UNITED DOMINIONS LEASING LIMITED

We have audited the financial statements on pages 4 to 9 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 October 1991 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to the fact that the financial statements do not include a statement of source and application of funds and thus do not comply with Statement of Standard Accounting Practice No. 10.

*KPMG Peat Marwick*

KPMG PEAT MARWICK

Chartered Accountants  
Registered Auditor

London

*8 July 1992*

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1991

	Note	<u>1991</u> £'000	<u>1990</u> £'000
Turnover	1	26,025	24,802
Cost of sales		21,473	21,261
		<hr/>	<hr/>
Gross profit		4,552	3,541
Administrative expenses	2	4,192	3,416
		<hr/>	<hr/>
Profit on ordinary activities before taxation		360	125
Tax (credit)/charge on profit on ordinary activities	3	(130)	57
		<hr/>	<hr/>
Profit on ordinary activities after taxation for the financial year		490	68
Balance brought forward		1,195	1,127
		<hr/>	<hr/>
Balance carried forward		1,685	1,195
		<hr/>	<hr/>

The notes on pages 6 to 9 form an integral part of these financial statements.

## UNITED DOMINIONS LEASING LIMITED

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## BALANCE SHEET AS AT 31 OCTOBER 1991

	Note	<u>1991</u> £'000	<u>1990</u> £'000
CURRENT ASSETS			
DEBTORS			
Receivable on leased assets	4	35,149	43,328
Other debtors		113	1,346
		<u>35,262</u>	<u>44,674</u>
CREDITORS: Amounts falling due within one year			
Trade creditors		1,221	984
Amounts owed to immediate parent company		28,166	38,104
Amounts owed to fellow subsidiary undertakings	5	511	364
		<u>29,898</u>	<u>39,452</u>
Total assets less current liabilities		5,364	5,222
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	6	3,678	4,026
		<u>1,686</u>	<u>1,196</u>
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Profit and loss account		1,685	1,195
		<u>1,686</u>	<u>1,196</u>

Approved by the board of directors on 8 JULY 1992

J L Davies )

D K Potts )

The notes on pages 6 to 9 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

(i) Basis of Accounting

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards except Statement of Standard Accounting Practice No. 10: the financial statements do not include a statement of source and application of funds.

(ii) Turnover

Turnover represents the total of rents receivable on leasing business.

(iii) Leasing

Income from finance leases, net of commissions, is credited to the profit and loss account in proportion to the net funds invested using the actuarial method. Finance leases are included in the balance sheet as receivable on leased assets at amounts based on the discounted value of future rentals.

(iv) Deferred Taxation

Provision is made in the financial statements for deferred taxation arising from timing differences between the accounting and taxation treatment of assets on lease, except to the extent that the potential tax liability is not expected to arise in the foreseeable future. The rates of taxation used are those which are expected to apply in the year in which the timing differences are expected ultimately to reverse.

(v) Prior Year Comparatives

Certain items included in amounts receivable on leased assets and amounts owed to or by fellow subsidiary undertakings in 1990 have been reclassified for consistency with the current year. These reclassifications have no impact on profit and do not represent changes in accounting policy.

## 2. ADMINISTRATIVE EXPENSES

Administrative expenses include a management fee payable to the immediate parent company, United Dominions Trust Limited. The basis used to establish the management fee includes an allowance for interest of £3,809,000 (1990 - £3,009,000).

Auditors' remuneration has been borne by the Company's immediate parent company. None of the directors received any emoluments for services to the Company during the year (1990 - £Nil). The Company had no employees (1990 - Nil).

## 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) UK Corporation Tax @ 33.4% (1990-34.4%)

	<u>1991</u> £'000	<u>1990</u> £'000
Current year:		
Group relief payable/(receivable)	219	67
Deferred taxation	(119)	(10)
Prior year:		
Group relief payable	(1)	-
Deferred taxation	(229)	-
	<u>(130)</u>	<u>57</u>

It is anticipated that the profit for tax purposes estimated at £654,000 will be relieved by way of group relief for full consideration. Profits for tax purposes in 1990 estimated at £190,000 were relieved by way of group relief for full consideration.

The prior year adjustments result from the reduction in the UK Corporation tax rate.

## 4. (a) RECEIVABLE ON LEASED ASSETS

	<u>Gross</u> <u>Investment</u> £'000	<u>Finance</u> <u>Charges</u> £'000	<u>Net</u> <u>Investment</u> £'000
<u>At 31 October 1991</u>			
Due within one year	16,307	3,320	12,987
Due after one year	24,688	2,526	22,162
	<u>40,995</u>	<u>5,846</u>	<u>35,149</u>
	<u>Gross</u> <u>Investment</u> £'000	<u>Finance</u> <u>Charges</u> £'000	<u>Net</u> <u>Investment</u> £'000
<u>At 31 October 1990</u>			
Due within one year	26,842	5,378	21,464
Due after one year	25,662	3,798	21,864
	<u>52,504</u>	<u>9,176</u>	<u>43,328</u>



- (b) At 31 October 1991, receivable on leased assets of £35,149,000 (1990 - £43,328,000) includes £316,000 (1990 - £5,109,000) which is receivable from fellow subsidiary undertakings.

	<u>1991</u> £'000	<u>1990</u> £'000
(c) Assets purchased in the year for use in finance leases	14,441	31,381
Lease rentals receivable during the year	26,025	24,802

#### 5. AMOUNTS OWED TO FELLOW SUBSIDIARY UNDERTAKINGS

The amounts owed to fellow subsidiary undertakings of £511,000 (1990 - £364,000) consists of group relief payable of £180,000 (1990 - £33,000) and corporation tax of £331,000 (1990 - £331,000)

#### 6. DEFERRED TAXATION

	<u>1991</u> £'000
At 1 November 1990	4,026
Charge/(credit) to profit and loss account:	
- current year	(119)
- prior year	(228)
At 31 October 1991	<u>3,678</u>

The provision for deferred taxation which relates entirely to timing differences arising in respect of accelerated capital allowances, represents the full potential liability.

#### 7. CALLED UP SHARE CAPITAL

	<u>1991</u> £	<u>1990</u> £
Authorised 100 ordinary shares of £1 each	100	100
Allotted called up and fully paid 100 ordinary shares of £1 each	100	100

8. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent company is United Dominions Trust Ltd which is registered in England.

The Company's ultimate parent company is TSB Group Plc which is registered in Scotland. The accounts of TSB Group Plc are available from the Secretary, TSB Group Plc, 25 Milk Street, London, EC2V 8LL