

REGISTERED NUMBER : 824614

UNITED DOMINIONS LEASING LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1995



REPORT OF THE DIRECTORS

The directors present the audited financial statements for the fourteen months ended 31 December 1995.

ACCOUNTING REFERENCE DATE

The Company has changed its accounting reference date to 31 December. These financial statements therefore, cover the fourteen month period ended 31 December 1995. Comparative figures are for the year ended 31 October 1994.

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 period under review and none are envisaged by the directors.

BUSINESS REVIEW AND RESULTS FOR THE PERIOD

The result for the period after taxation was a profit of £7,000 which has been added to the retained profit brought forward of £125,000 leaving a retained profit of £132,000 to be carried forward.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the period were:

J L Davies

D K Potts

Mr J R Whittington Appointed 1 February 1995

DIRECTORS' INTERESTS IN SHARE CAPITAL

The directors' beneficial interests in ordinary shares of 25p each in the Company's ultimate parent undertaking, Lloyds TSB Group plc, at 1 November 1994 (or at date of appointment, if later) and at 31 December 1995 are shown below:

	<u>At 31.12.95</u>		<u>At 1.11.94</u> (or at date of appointment, if later)	
	<u>Shares</u>	<u>Shares under option</u>	<u>Shares</u>	<u>Shares under option</u>
J L Davies	150	123,356	150	100,470
D K Potts	5,226	58,429	4,906	49,671
J R Whittington	4,351	36,433	3,732	23,485

The options to purchase shares were granted under the terms of the executive share option and sharesave option schemes of the Lloyds TSB Group, and are exercisable in normal circumstances between 1996 and 2005 at prices ranging from 103 pence to 282.5 pence per share.

Net changes in options shown above arose as a result of the grant and exercise of options during the period. Movements in options during the period are shown below:

	<u>Type of Scheme</u>	<u>Number of options granted</u>	<u>Number of options exercised</u>
J L Davies	Sharesave	-	-
	Executive	22,886	-
D K Potts	Sharesave	1,938	3,076
	Executive	9,896	-
J R Whittington	Sharesave	3,876	-
	Executive	9,072	-

Except as disclosed above, no director held any interests in shares or debentures of Lloyds TSB Group plc or any of its subsidiary undertakings at 1 November 1994 (or at date of appointment, if later), or at 31 December 1995.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company's ultimate parent undertaking maintains directors' and officers' liability insurance in respect of Lloyds TSB Group plc and its subsidiary undertakings.

By order of the board



J H Ross

Secretary

14 October 1996

RESPONSIBILITY STATEMENTS OF DIRECTORS AND AUDITORS

Statement of directors' responsibilities

The following statement, which should be read in conjunction with the Statement of Auditors' Responsibilities set out below, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements. The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing pages 5 to 10 of the financial statements the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The directors are required to prepare the financial statements on a going concern basis unless this is inappropriate.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

Statement of auditors' responsibilities

The auditors are responsible for forming an independent opinion on the financial statements presented by the directors, based on their audit, and for reporting their opinion to members. They also have the responsibility under the Companies Act 1985 to report to members if particular requirements are not met. These requirements are:

- that the Company has maintained proper accounting records and obtained proper returns from branches not visited by the auditors;
- that the financial statements are in agreement with the accounting records;
- that directors' emoluments and other transactions with directors are properly disclosed in the financial statements, and
- that they have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit.

The auditors' opinion does not encompass the directors' report on pages 1 and 2. However, the Companies Act 1985 requires the auditors to report to members if the matters contained in the directors' report are inconsistent with the rest of the financial statements.

AUDITORS' REPORT TO THE MEMBERS OF UNITED DOMINIONS LEASING LIMITED

We have audited pages 5 to 10 of the financial statements.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 accounts. 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 affairs of the Company as at 31 December 1995 and of the result of the Company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG

Chartered Accountants
Registered Auditors

London

14 October 1996

PROFIT AND LOSS ACCOUNT

		<u>Fourteen months</u> <u>ended</u> <u>31 December</u> <u>1995</u> <u>£'000</u>	<u>Year ended</u> <u>31 October</u> <u>1994</u> <u>£'000</u>
	<u>Note</u>		
Turnover	1	30,663	27,391
Cost of sales		25,519	23,112
		<hr/>	<hr/>
Gross profit		5,144	4,279
Administrative expenses	2	5,037	4,163
		<hr/>	<hr/>
Profit on ordinary activities before taxation		107	116
Tax charge on profit on ordinary activities	3	100	67
		<hr/>	<hr/>
Profit on ordinary activities after taxation for the period		7	49
Balance brought forward		125	76
		<hr/>	<hr/>
Balance carried forward		132	125
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than those shown in the profit and loss account.

The notes on pages 7 to 10 form an integral part of these financial statements.

BALANCE SHEET

		As at 31 December 1995 £'000	As at 31 October 1994 £'000
	Note		
CURRENT ASSETS			
Debtors			
Receivable on leased assets	4	51,056	46,893
Amounts owed by fellow subsidiary undertakings	5	-	68
Other debtors		282	572
		<u>51,338</u>	<u>47,533</u>
Creditors: Amounts falling due within one year			
Amounts owed to immediate parent undertaking		46,414	41,905
Amounts owed to fellow subsidiary undertakings	5	603	-
Other creditors		580	1,975
		<u>47,597</u>	<u>43,880</u>
Net liabilities due within one year		(26,568)	(23,417)
Net assets due after one year		30,309	27,070
Total assets less current liabilities		3,741	3,653
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	6	(3,609)	(3,528)
		<u>132</u>	<u>125</u>
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Profit and loss account		132	125
Shareholders' funds		<u>132</u>	<u>125</u>

Approved by the board of directors on. 14 October 1996

J L Davies

D K Potts

The notes on pages 7 to 10 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. Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary of an EC parent which itself prepares a cash flow statement.

(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.

2. ADMINISTRATIVE EXPENSES

Administrative expenses include a management fee payable to the immediate parent undertaking, United Dominions Trust Limited. The basis used to establish the management fee includes an allowance for interest of £3,313,000 (1994 - £2,541,000).

Auditors' remuneration has been borne by the Company's immediate parent undertaking. None of the directors received any emoluments for services to the Company during the year (1994 - £Nil). The Company had no employees (1994 - Nil).

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

UK Corporation Tax @ 33% (1994: 33%)

	<u>Fourteen months ended 31 December 1995 £'000</u>	<u>Year ended 31 October 1994 £'000</u>
Current period:		
Group relief payable	603	1,234
Deferred taxation	(506)	(1,167)
Prior year:		
Group relief (receivable)/payable	(584)	781
Deferred taxation	587	(781)
	<u>100</u>	<u>67</u>

It is anticipated that the profit for tax purposes estimated at £1,826,000 (1994 - £3,739,000) will be relieved by way of group relief for full consideration.

4. (a) RECEIVABLE ON LEASED ASSETS

	<u>Gross Investment £'000</u>	<u>Finance Charges £'000</u>	<u>Net Investment £'000</u>
<u>At 31 December 1995</u>			
Due within one year	24,730	3,983	20,747
Due after one year	33,760	3,451	30,309
	<u>58,490</u>	<u>7,434</u>	<u>51,056</u>

	<u>Gross Investment £'000</u>	<u>Finance Charges £'000</u>	<u>Net Investment £'000</u>
<u>At 31 October 1994</u>			
Due within one year	23,348	3,525	19,823
Due after one year	29,962	2,892	27,070
	<u>53,310</u>	<u>6,417</u>	<u>46,893</u>

	<u>Fourteen months</u> <u>ended</u> <u>31 December</u> <u>1995</u> <u>£'000</u>	<u>Year ended</u> <u>31 October</u> <u>1994</u> <u>£'000</u>
(b) Assets purchased in the period for use in finance leases:	37,045	25,101
	<u> </u>	<u> </u>
Lease rentals receivable during the period	30,663	27,391
	<u> </u>	<u> </u>

5. AMOUNTS OWED TO/BY FELLOW SUBSIDIARY UNDERTAKINGS

The amounts owed to fellow subsidiary undertakings of £603,000 (1994 - owed by fellow subsidiary undertakings of £68,000) consist entirely of group relief.

6. DEFERRED TAXATION

	<u>1995</u> <u>£'000</u>
At 1 November 1994	3,528
(Credited)\charged to profit and loss account:	
- current period	(506)
- prior year	587
At 31 December 1995	<u>3,609</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>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Authorised, allotted called up and fully paid 100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

8. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is United Dominions Trust Limited which is registered in England and Wales. The consolidated accounts of United Dominions Trust Limited are available from the Secretary, United Dominions Trust Limited, 116 Cockfosters Road, Barnet, Herts, EN4 0DY.

The Company's ultimate parent undertaking is Lloyds TSB Group plc (formerly TSB Group plc) which is registered in Scotland. The consolidated accounts of Lloyds TSB Group plc are available from the Secretary, Lloyds TSB Group plc, 71 Lombard Street, London, EC3P 3BS