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UNITED DOMINIONS LEASING LIMITED

31 OCTOBER 1988



# 20-6-89

UNITED DOMINIONS LEASING LIMITED

## REPORT OF THE DIRECTORS

The directors present the audited accounts for the year ended 31 October 1988.

## PRINCIPAL ACTIVITY

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

## BUSINESS REVIEW AND RESULTS FOR THE YEAR

The company continued its leasing activities principally in respect of fleet vehicles.

The result for the year after taxation and charge for management expenses made by the intermediate holding company was a profit of £1,416,000 (1987 loss £2,003,000) which has been added to the accumulated deficit brought forward of £383,000 leaving a surplus of £1,033,000 to be carried forward.

The directors do not recommend the payment of a dividend (1987 ENIL).

## DIRECTORS

D. C. McCrickard	Resigned	11 April 1988
F J Randall		
H K Paton	Appointed	11 April 1988

## DIRECTORS' INTERESTS IN SHARE CAPITAL

The directors' interests in ordinary shares of 25p each in the company's ultimate holding company, TSB Group plc as at 1 November 1987 (or date of appointment if later) and at 31 October 1988 are shown below.

	31.10.88		1.11.87 (or date of appointment if later)	
	<u>Shares</u>	<u>Shares under Option</u>	<u>Shares</u>	<u>Shares under Option</u>
F J Randall	3,986	64,285	2,650	64,285
H K Paton	2,999	44,247	2,999	44,247

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UNITED DOMINIONS LEASING LIMITED

The options to purchase shares were granted under the terms of the TSB Group plc's executive share option scheme.

Except as disclosed above, no director held any interest in shares or debentures of TSB Group plc or any of its subsidiaries at 1 November 1987 (or at the date of appointment where later) or at 31 October 1988.

AUDITORS

At the company's last annual general meeting, Peat Marwick McLintock, were reappointed auditors of the company. A resolution confirming their reappointment as auditors will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

*B Marsh*

B J MARSH  
Secretary

6 January 1989

AUDITORS' REPORT TO THE MEMBERS OF  
UNITED DOMINIONS LEASING LIMITED

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

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 October 1988 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The accounts do not include a statement of the source and application of funds of the company as required by Statement of Standard Accounting Practice No. 10.



PEAT MARWICK McLINTOCK  
Chartered Accountants  
London

6 January 1989

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UNITED DOMINIONS LEASING LIMITED

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

	<u>1988</u>	<u>1987</u>
	£'000	£'000
Turnover (Note 1)	18,777	23,342
Cost of sales	16,328	20,243
Gross profit	<u>2,449</u>	<u>3,099</u>
Administrative expenses (Note 2)	1,997	2,970
Operating profit	<u>452</u>	<u>129</u>
Interest payable and similar charges (on borrowings repayable within five years)	375	1,095
Profit/(Loss) on ordinary activities before taxation	<u>77</u>	<u>(966)</u>
(Tax Credit)/Tax on profit/(Loss) on ordinary activities (Note 3)	(1,339)	1,037
Profit/(Loss) on ordinary activities after taxation for the financial year	<u>1,416</u>	<u>(2,003)</u>
Balance brought forward	(383)	1,620
Balance carried forward	<u>1,033</u>	<u>(383)</u>

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

BALANCE SHEET AS AT 31 OCTOBER

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

UNITED DOMINIONS LEASING LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(i) Basis of Accounting

The accounts have been prepared under the historical cost convention.

(ii) Turnover

Turnover represents the total of rents receivable on leasing business net of early settlement rebates.

(iii) Deferred Taxation

Provision is made in the accounts 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 are those which are expected to apply in the year in which the timing differences are expected ultimately to reverse.

(iv) Receivable on Leased Assets

Finance leases are shown under current assets as rentals due, plus anticipated residual values less the income allocated to future periods. Income on finance leases is allocated to accounting periods in proportion to the net cash investment in those leases.

2. ADMINISTRATIVE EXPENSES

The administrative expenses include a management fee paid to the intermediate holding company, United Dominions Trust Limited. The basis used to establish the management fee includes an allowance for interest of £1,842,000 (1987 £1,815,000).

Auditors remuneration has been borne by the intermediate holding company. None of the directors received any emoluments from the company during the year (1987 NIL).

# UNITED DOMINIONS LEASING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 3. TAXATION

(a) <u>Current year charge</u>	<u>1988</u> £'000	<u>1987</u> £'000
UK Corporation tax: @35%		481
Deferred		1,037
Group Relief - on current year profit	(486)	
- prior year adjustment	(1,334)	
	(1,820)	-
	<u>(1,339)</u>	<u>1,037</u>
Based on result for the year		

It is anticipated that the losses for tax purposes estimated at £1,387,000 will be surrendered to other group companies by way of group relief for full consideration. 1987 tax losses of £3,841,000 will be surrendered to other group companies by way of group relief for full consideration and this has been included in the 1988 group relief credit.

### (b) Deferred tax provision

#### Timing differences on leased assets

	<u>Amount provided</u> £'000	<u>Potential liability</u> £
At 1 November 1987	2,870	2,870
Provided for Current Year	481	
At 31 October 1988	<u>3,351</u>	<u>3,351</u>



# UNITED DOMINIONS LEASING LIMITED

## NOTES TO THE ACCOUNTS - (Continued)

4. RECEIVABLE ON LEASED ASSETS	Gross Investment £'000	Finance Charges £'000	Net Investment £'000
At 31 October 1988			
Due within one year	11,808	2,086	9,722
Due after more than one year	12,431	1,435	10,996
	<u>24,239</u>	<u>3,521</u>	<u>20,718</u>
At 31 October 1987			
Due within one year	14,983	2,294	12,689
Due after more than one year	13,115	1,457	11,658
	<u>28,098</u>	<u>3,751</u>	<u>24,347</u>
		<u>1988</u> £'000	<u>1987</u> £'000
Assets purchases in the year for use in finance leases		20,896	15,839
Lease rentals receivable in the year		<u>18,777</u>	<u>23,776</u>
5. FUTURE LEASE PAYMENTS	Future Gross Payments £'000	Future Finance Charges £'000	Future Net Payments £'000
At 31 October 1988			
Due within one year	18	(1)	19
Due after more than one year	-	-	-
Total	<u>18</u>	<u>(1)</u>	<u>19</u>
At 31 October 1987			
Due within one year	201	6	195
Due after more than one year	18	(1)	19
Total	<u>219</u>	<u>5</u>	<u>214</u>
		<u>1988</u> £'000	<u>1987</u> £'000
Net lease rentals payable in the year		£203	£382

# UNITED DOMINIONS LEASING LIMITED

6. SHARE CAPITAL	<u>1988</u>	<u>1987</u>
	£	£
Authorised 100 ordinary shares of £1 each	100	100
	—	—
Issued and fully paid 100 ordinary shares £1 each	100	100
	—	—

## 7. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is TSB Group plc which is incorporated in Great Britain.