

# **TSB SERVICES (NO.3) LIMITED**

## **REPORT AND ACCOUNTS 1997**

Registered office

71 Lombard Street  
London, EC3P 3BS

Registered number

1053507

Directors

S G Barford Wilks  
M R Hatcher  
A J Michie  
H S Rodgers

Company Secretary

K K Parker

Member of Lloyds TSB Group



# **TSB SERVICES (NO.3) LIMITED**

## **Report of the directors**

### **Activities and results**

During the year ended 31 December 1997, the company did not trade or incur any liabilities.

An interim dividend of £12,735 was paid on 5th September, 1997 from reserves.

### **Directors**

The names of the present directors of the company are shown on page 1.

Reference is made on page 9 in note 6 to the interests of the directors in the capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries.

### **Policy and practice on payment of creditors**

The company's policy is to agree terms of payment with suppliers and these normally provide for payment within 30 days after the date of invoice, except where other arrangements have been negotiated. It is the policy of the company to abide by the terms of payment, provided the supplier performs according to the terms of the contract.

As the company owed no amounts to trade creditors at 31 December 1997, the number of days required to be shown in this report, to comply with the provisions of paragraph 12(3) of part VI of schedule 7 to the Companies Act 1985, is nil.

On behalf of the board



K.K. Parker  
Company Secretary

7th October 1998

# **TSB SERVICES (NO. 3) LIMITED**

## **Auditors' report**

### **To the member of TSB Services (No. 3) Limited**

We have audited the financial statements set out on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 8 in note 1.

### **Respective responsibilities of directors and auditors**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have responsibility for ensuring the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

# **TSB SERVICES (NO.3) LIMITED**

## **Auditors' report (continued)**

### **To the member of TSB Services (No.3) Limited**

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 31 December 1997 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors  
London

7th October 1998

# TSB SERVICES (NO.3) LIMITED

## Profit and loss account for the year ended 31 December 1997

	Note	<u>1997</u> £	<u>1996</u> £
Profit on ordinary activities before taxation	3	-	-
Taxation on profit on ordinary activities		<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		-	-
Dividend		<u>12,735</u>	<u>-</u>
Retained loss for the year		<u>(12,735)</u>	<u>-</u>

The notes on pages 8 and 9 form part of these accounts.

# TSB SERVICES (NO.3) LIMITED

## Balance sheet at 31 December 1997

	Note	1997 £	1996 £
<b>Current assets</b>			
Amount owed by parent undertaking		<u>5,000</u>	<u>17,735</u>
<b>Capital and reserves</b>			
Called up share capital	4	5,000	5,000
Profit and loss account	5	<u>-</u>	<u>12,735</u>
Total shareholder's funds (equity)		<u>5,000</u>	<u>17,735</u>



Director

The notes on pages 8 and 9 form part of these accounts.

# TSB SERVICES (NO.3) LIMITED

31 December 1997

## Statement of total recognised gains and losses for the year ended 31 December 1997

During the current and preceding year the company made no recognised gains or losses other than those reported within the profit and loss account on page 5.

## Historical cost profits and losses for the year ended 31st December 1997

There is no material difference between the results as reported and the results that would have been reported on an unmodified historical cost basis. Accordingly, no note of historical cost profits and losses has been included in these accounts.

## Reconciliation of movements in shareholder's funds for the year ended 31 December 1997

	<u>1997</u>	<u>1996</u>
	£	£
Profit after taxation for the year	-	-
Dividends paid	(12,735)	-
Net decrease in shareholder's funds	(12,735)	-
Shareholder's funds at beginning of the year	17,735	17,735
Shareholder's funds at end of the year	<u>5,000</u>	<u>17,735</u>

# TSB SERVICES (NO.3) LIMITED

## Notes to the accounts

### 1. Accounting policies

The accounts have been prepared under the historical cost convention, in compliance with the requirements of the Companies Act 1985 and in accordance with applicable accounting standards.

The company is exempted from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with the requirements of Financial Reporting Standard 1 (Revised 1996) is included in the accounts of its ultimate parent undertaking.

In addition, advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Lloyds TSB Group plc or other group or associated undertakings as the consolidated accounts of Lloyds TSB Group plc, in which the company is included, are publicly available.

### 2. Results

During the years ended 31 December 1996 and 31 December 1997 the company did not trade or incur any liabilities.

### 3. Auditors' remuneration

In 1997, the auditors' remuneration was borne by the company's ultimate parent company. The company was dormant throughout 1996.

### 4. Called up share capital

	<u>1997</u>	<u>1996</u>
	£	£
Authorised, allotted and issued fully paid: 5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

The company regarded by the directors as the ultimate parent company is Lloyds TSB Group plc, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Lloyds Bank Plc is the parent undertaking of the smallest such group of undertakings. Ownership of the company was transferred from TSB Services (No.1) Limited to Lloyds Bank Plc on 10 December 1997. Copies of the accounts may be obtained from the Company Secretary's office, Lloyds TSB Group plc, 71 Lombard Street, London, EC3P 3BS.

### 5. Profit and loss account

	£
Balance at 1 January 1997	12,735
Retained loss for the year ended 31 December 1997	(12,735)
Balance at 31 December 1997	<u><u>-</u></u>



# TSB SERVICES (NO.3) LIMITED

## Notes to the accounts (continued)

### 6. Directors' interests

The interests of the directors in the capital of Lloyds TSB Group plc were:-

Ordinary shares of 25p each

	At 1 January 1997	At 31 December 1997
S G Barford Wilks	1,030	1,794
M R Hatcher	6,697	7,728
A J Michie	19,947	23,075
H S Rodgers	3,915	4,713

Options to acquire ordinary shares of 25p each

	At 1 January 1997	During the year		At 31 December 1997
		Granted (exercisable between 2000 and 2007)	Exercised	
S G Barford Wilks*	9,691	-	-	9,691
M R Hatcher	5,767	1,351	-	7,118
A J Michie	45,723	12,562	1,562	56,723
H S Rodgers	7,833	-	-	7,833

\* This director will receive additional Lloyds TSB Group shares on exercising share options held on 28 December 1995. These shares will compensate the director for the special dividend of 68.3p per share which was paid to former TSB Group shareholders following the merger with Lloyds Bank but which was not paid to option holders.

None of the directors had any other interest in the capital of Lloyds TSB Group plc or its subsidiaries.

### 7. Directors' emoluments

None of the directors received any emoluments in respect of their services to the company (1996:£nil).

### 8. Date of approval

The directors approved the accounts on 7th October 1998.