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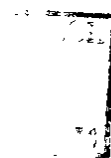
CHPM 4 (07/02)

UDT DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 1991

REGISTERED NUMBER: 1068399



## 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 that of a holding company.

## BUSINESS REVIEW AND RESULTS FOR THE YEAR

During the year the Company has not traded nor incurred any liabilities and consequently has made neither a profit nor loss (1990 - £Nil).

## DIVIDENDS

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

## DIRECTORS

The directors who served during the year were:

B J Marsh

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:

	<u>31.10.91</u>		<u>1.11.90</u>	
	<u>Shares</u>	<u>Shares under option</u>	<u>Shares</u>	<u>Shares under option</u>
B J Marsh	2,367	1,844	1,882	-
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 1992 and 1999 at prices ranging from 96 pence to 122 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.

REPORT OF THE DIRECTORS (Continued)

AUDITORS

In accordance with Section 250 (1) of the Companies Act 1985 a special resolution will be proposed at the forthcoming annual general meeting to exempt the Company from the obligation to appoint auditors.

By order of the board



B J MARSH  
Secretary

28 May , 1992

REPORT OF THE AUDITORS, KPMG PEAT MARWICK,  
TO THE MEMBERS OF UDT DEVELOPMENTS LIMITED

We have audited the financial statements on pages 4 to 6 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 its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

KPMG PEAT MARWICK

Chartered Accountants  
Registered Auditor  
London

28 May, 1992

## BALANCE SHEET AS AT 31 OCTOBER 1991

	Note	<u>1991</u> £	<u>1990</u> £
FIXED ASSETS			
Investments - Shares in group undertakings	4	<u>2</u>	<u>2</u>
CREDITORS: amounts falling due within one year			
Amounts owed to immediate parent company		<u>8,938</u>	<u>8,938</u>
Net current liabilities		<u>(8,938)</u>	<u>(8,938)</u>
Total assets less current liabilities		<u><u>(8,936)</u></u>	<u><u>(8,936)</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	14,195,496	14,195,496
Profit and loss account		<u>(14,204,432)</u>	<u>(14,204,432)</u>
		<u><u>(8,936)</u></u>	<u><u>(8,936)</u></u>

Approved by the board of directors on 22 May, 1992

B J Marsh

*B Marsh*

D K Potts

*D K Potts*

Directors

The notes on pages 5 and 6 form an integral part of these financial statements.

## UDT DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

Consolidation

Group financial statements have not been prepared as the Company is a wholly-owned subsidiary undertaking of United Dominions Trust Limited, which is registered in England. In the opinion of the directors, the value of the Company's investments in its subsidiary undertakings is not less than the aggregate amount shown in the balance sheet.

## 2 PROFIT AND LOSS ACCOUNT

During the year the Company did not trade and incurred no expenditure. Consequently during the year the Company made neither a profit nor a loss.

## 3 ADMINISTRATIVE EXPENSES

None of the directors received emoluments for services to the Company (1990 - £Nil). The Company had no employees (1990 - Nil). Auditors' remuneration and other administrative expenses have been borne by United Dominions Trust Limited, the intermediate parent company.

## 4 INVESTMENTS - SHARES IN GROUP UNDERTAKINGS

	Cost	Provisions against diminution in value	Net book value
	£	£	£
At 31 October 1991 and 31 October 1990	286	284	2
	<u>      </u>	<u>      </u>	<u>      </u>

During the year the Company held investments in the following dormant subsidiary undertakings, both of which were wholly owned.

S and A Services Limited (in liquidation) (Registered in England)	350,000	- ordinary shares
Swan National (Scotland) Limited (Registered in Scotland)	50,000	- Class A Ordinary
	50,000	- Class B Ordinary

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 5 FUTURE BUSINESS OPERATIONS

An intermediate parent company, United Dominions Trust Limited, has informed the Company that it intends to provide, continued support for the Company.

6 CALLED UP SHARE CAPITAL	<u>1991</u> £	<u>1990</u> £
Authorised 15,000,000 ordinary shares of £1 each	15,000,000	15,000,000
Allotted, called up and fully paid 14,195,496 ordinary shares of £1 each	14,195,496	14,195,496

## 7 INTERMEDIATE AND ULTIMATE PARENT COMPANY

The Company's intermediate parent company is United Dominions Trust Limited 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 8LU.



UDT DEVELOPMENTS LIMITED

Registered Number 1068399



**United Dominions  
Trust Limited**

The Annual Report and Accounts of United Dominions Trust Limited are filed together with these of UDT Developments Limited in accordance with Section 228 (e) Companies Act 1985.

ANNUAL REPORT  
AND ACCOUNTS  
1991

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Principal subsidiary undertakings	18	Telex 261291 UIDTCAC G
		Facsimile 081 449 1537

## Directors

2

**Directors**

M K Pedelty  
Chairman

M L Ingham  
Director,  
Business Planning

G M L Skingley  
Director,

J L Davies  
Managing Director

D K Potts  
Director,  
Financial Operations

R L Sterry  
Director,  
Field Operations

G R Bird  
Director,  
Business Finance Operations

K D Pusey  
Director,  
Personnel Operations

**Secretary**

B J Marsh

## Chairman's statement

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United Dominions Trust Limited is an institution authorised under the Banking Act 1987 and forms part of the Retail Banking and Insurance division of TSB Group plc.

Profit before tax for the year was £25.8 million, £4.6 million higher than the previous year, despite the difficult economic environment of the past year which has significantly affected the financial services and leasing sectors. The effects of the recession have, however, necessitated substantial increases in bad debt provisions.

UDT's funding policy of term matching most of its fixed rate lending products has once again been effective. Although interest rates have fallen during the year, I am sure that a stable base of future net income is sounder than a gamble on future interest rates. Operating costs have been, and continue to be, well controlled.

New business lending in the year was depressed by the sharp fall in the U.K. car market. However, UDT's strong relationships with its motor franchisors and dealerships has enabled it significantly to better the market and, together with a strong performance in used cars, enabled total retail cars financed to exceed 1990 levels. Fleet finance sales, however, were affected by the recession in the corporate sector, but on the other hand the caravan business did very well and increased sales by 30%.

UDT's excellent performance during this period owes much to the dedication and professionalism of its staff, and to the commitment to investing in innovative developments of both technology and products.

Prospects for 1992 remain uncertain. I expect it to be another tough and demanding year for the industry. The immediate prospects for a significant and sustained economic recovery remain weak, with both consumer and business confidence restrained. However, UDT's experience and commitment will ensure that it is well positioned to respond effectively to both the challenges and opportunities of 1992.



M K Pedela  
Chairman

13 January 1992

## Directors' report

The directors present their annual report and the audited accounts of the Company and its subsidiary undertakings for the year ended 31 October 1991.

### Profit and dividend

The Group profit after taxation and minority interests for the year ended 31 October 1991 amounted to £15.9 million. In 1991, the Company did not pay an interim dividend (interim dividend paid in 1990 – £0.8 million). The directors do not recommend payment of a final dividend (1990 – nil). £15.9 million was transferred to reserves.

### Principal activities

The principal activities of the Company and its subsidiary undertakings are the provision of financial and associated services, the leasing of vehicles and other assets and the acceptance of deposits.

A review of the Company's activities and future development is dealt with in the Chairman's statement.

### Premises and equipment

Details of premises and equipment are set out in note 14 to the accounts.

### Directors

Mr H K Paton resigned as chairman and director of the Company with effect from 31 May 1991, and Mr M K Pedely was appointed chairman of the Company in his place.

The other directors listed on page 2 were directors throughout the year.

### Interests in share capital

Beneficial interests of directors in ordinary shares of 25p each in the Company's ultimate parent company, TSB Group plc, are shown below:

	At 31 October 1991		At 31 October 1990	
	Shares	Shares under Option	Shares	Shares under Option
G R Bird	9,209	23,379	8,539	23,379
J L Davies	150	83,142	5,650	54,524
M L Ingham	150	—	150	—
M K Pedely	550	221,851	550	157,936
D K Potts	2,966	23,173	2,421	20,100
K D Pusev	1,250	11,504	1,250	11,504
G M L Skingley	5,272	44,104	5,272	37,279
R I Sterry	785	23,379	3,945	23,379

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.

**Directors' report** *continued*

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**Interests in contracts**

No director had a material interest in any contract, other than a service contract, with the Company or any of its subsidiary undertakings at any time during the year.

**Employees**

The average number of employees of the Company in the United Kingdom during the year was 1,258, and their aggregate remuneration (excluding pension contributions), amounted to £19.8 million.

The Company, as part of the TSB Group, is committed to employee involvement and uses a variety of methods to inform, consult and involve its employees. There are a number of well established consultative and collective bargaining arrangements which ensure that the views of the employees are taken into account in reaching decisions. Within this framework, emphasis continues to be placed on developing greater awareness of the financial and economic factors which affect the performance of the Company. Financial involvement through shareholding in the TSB Group is encouraged through profit-sharing and share option schemes.

The TSB Group is committed to provide equal opportunities in employment. The long-term policy is to achieve a workforce more closely matched in respect of race, sex and disability to the composition of the community served by the TSB Group.

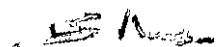
**TSB Direct**

In the annual report and accounts for the year ended 31 October 1990 ("1990"), it was reported that on 1 November 1990, TSB Direct Limited, a fellow subsidiary undertaking of TSB Bank plc sold part of its unsecured loan book amounting to £55.3 million ("the loan book") to the Company at book value. This agreement had not been legally completed at the time of the approval of the 1990 accounts and the Company did not subsequently complete the purchase. During the year, however, the Company entered into a management agreement with TSB Direct Limited to manage the loan book on their behalf.

**Auditors**

A resolution for the reappointment of KPMG Peat Marwick as auditors of the Company is to be proposed at the forthcoming annual general meeting.

*By order of the board*



**B.J. Marsh**

*Secretary*

13 January 1992

## Auditors' report

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Report of the auditors, KPMG Peat Marwick, to the members of United Dominions Trust Limited.

We have audited the accounts on pages 7 to 18 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 31 October 1991 and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

KPMG Peat Marwick

Chartered Accountants

Registered Auditors

London

13 January 1992

**Consolidated profit and loss account**

Year ended 31 October 1991

Note		1991 £m	1990 £m
3	<b>Operating profit</b>	<b>31.7</b>	<b>28.2</b>
	Interest on loan stock	5.9	7.0
	<b>Profit before taxation</b>	<b>25.8</b>	<b>21.2</b>
6	Taxation	7.8	8.4
	<b>Profit after taxation</b>	<b>18.0</b>	<b>12.8</b>
	Minority interests	2.1	0.8
7	<b>Profit after taxation attributable to the shareholders of United Dominions Trust Limited</b>	<b>15.9</b>	<b>12.0</b>
8	Dividends	~	0.8
20	<b>Transferred to reserves</b>	<b>15.9</b>	<b>11.2</b>

Majority share transfers are set out in note 20 to the accounts

The notes on pages 11 to 18 form part of these accounts



**Consolidated balance sheet**

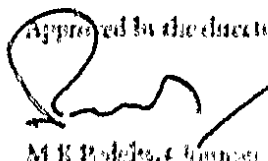
31 October 1991

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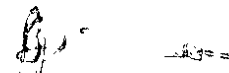
		1991	1990
		£m	£m
<b>Assets</b>	Note		
	9 Cash and short-term funds	5.3	6.5
	10 Notice and fixed loans	5.0	4.8
	12 Advances to customers	1,595.4	1,545.7
	Other accounts receivable	20.7	57.1
	13 Balances due from fellow subsidiary undertakings	251.1	420.8
		<b>1,877.5</b>	<b>2,034.9</b>
	14 Premises and equipment	5.5	5.6
		<b>1,883.0</b>	<b>2,040.5</b>
<b>Liabilities and capital resources</b>	15 Current and deposit accounts	127.4	245.9
	16 Creditors and accrued expenses	51.7	54.8
	17 Deferred taxation	36.5	45.7
	18 Balances due to fellow subsidiary undertakings	1,453.9	1,498.6
	18 Interest bearing subordinated loan	44.9	44.9
		<b>1,714.4</b>	<b>1,889.9</b>
	Minority interests	6.6	4.5
	19 Called up share capital	87.3	87.3
	20 Reserves	74.7	58.8
		<b>168.6</b>	<b>150.6</b>
		<b>1,883.0</b>	<b>2,040.5</b>

13 Balances due to fellow subsidiary undertakings

Approved by the directors on 13 January 1992



M K Peden, Chairman



J I Mackenzie, Managing Director

# Company balance sheet

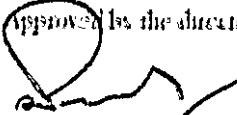
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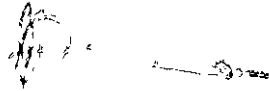
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	Note	1991 £m	1990 £m
<b>Assets</b>			
	9 Cash and short-term funds	2.6	3.5
	10 Notice and fixed loans	5.0	4.8
	12 Advances to customers	705.8	727.4
	Other accounts receivable	26.1	20.7
	13 Balances due from fellow and own subsidiary undertakings	1,060.9	1,196.4
		<b>1,800.4</b>	<b>1,952.8</b>
	11 Investments in subsidiary undertakings	3.5	3.5
	14 Premises and equipment	5.1	5.5
		<b>1,809.0</b>	<b>1,961.8</b>
<b>Liabilities and capital resources</b>			
	15 Current and deposit accounts	127.4	245.9
	16 Creditors and accrued expenses	32.9	42.6
	13 Balances due to fellow and own subsidiary undertakings	1,460.3	1,493.7
	18 Interest bearing subordinated loan	44.9	44.9
		<b>1,665.5</b>	<b>1,827.1</b>
	19 Called up share capital	87.3	87.3
	20 Reserves	56.2	47.4
		<b>143.5</b>	<b>134.7</b>
		<b>1,809.0</b>	<b>1,961.8</b>

The notes on pages 11 to 16 form part of these accounts

Approved by the directors on 13 January 1992

  
 M K Peck, Chairman

  
 J L Davies, Managing Director

# Consolidated statement of source and application of funds

31 October 1991

	1991 £m	1990 £m
<b>Source of funds</b>	<b>25.8</b>	<b>21.2</b>
Profit before taxation	1.8	1.8
Items not involving movement of funds:	(0.6)	-
Depreciation	(1.2)	-
Profit from sale of premises and equipment	25.8	23.0
Profit from sale of trade investment	125.0	660.8
<b>Funds from operations</b>	<b>13</b>	<b>1.7</b>
<b>Funds from other sources</b>	<b>1.2</b>	<b>-</b>
Increase in net balance with fellow subsidiary undertakings	153.3	685.5
Sale of premises and equipment	-	0.8
Sale of trade investment	2.4	3.8
<b>Total source of funds</b>	<b>(0.1)</b>	<b>16.8</b>
<b>Application of funds</b>	<b>2.3</b>	<b>21.4</b>
Dividends paid	151.0	664.1
Additions to premises and equipment	13.3	242.0
Net taxation (received)/paid	(1.0)	4.4
<b>Total application of funds</b>	<b>12.3</b>	<b>246.4</b>
<b>Represented by increases/(decreases) in</b>	<b>138.7</b>	<b>417.7</b>
Advances to customers and other accounts receivable	151.0	664.1
Other banking assets		
Current and deposit accounts and other liabilities		

## Notes to the accounts

31 October 1991

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### Note 1

#### Accounting policies

##### Accounting convention

The accounts have been prepared under the historical cost convention, in accordance with sections 257 to 260 and Schedule 9 to the Companies Act 1985 and in accordance with applicable accounting standards.

##### Consolidation

The accounts of all subsidiary undertakings have been consolidated. Generally, the accounting reference dates of subsidiary undertakings are 31 October but where, for commercial reasons, this is not so the company has used interim accounts made up to 31 October. In accordance with section 230 to the Companies Act 1985 a profit and loss account for the holding company is not included in these accounts.

##### Income earned on personal loans and instalment credit agreements

In the case of such business where the charges are added to the amount lent at the commencement of the period the general principle adopted for crediting income to the profit and loss account is to spread the income, net of commissions, over the period in which repayments are due in proportion to the reducing balance outstanding, using the "rule of 78".

##### Leasing

###### *Policy as lessor*

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 advances to customers at amounts based on the discounted value of future rentals.

###### *Policy as lessee*

The rental under operating leases is charged on a straight line basis over the lease term.

##### Provisions for bad and doubtful debts

Specific provisions are made for advances which are recognised to be bad or doubtful. In addition, general provisions are maintained on advances not in arrears by providing for estimates of bad debt risk.

##### Investments

Investments in subsidiary undertakings are stated at cost less any provision for permanent diminution in value.

##### Depreciation

###### *Freehold and leasehold property*

Freehold buildings are depreciated by reference to their anticipated useful economic life of 50 years. No depreciation is provided on freehold land. Leasehold properties are depreciated on a straight line basis over the life of the lease.

###### *Equipment*

Equipment, including computers, fixtures and fittings and motor vehicles not on lease, is generally depreciated on a straight line basis to an estimated residual value over the life of the asset, which is assumed to be 4 years for motor cars and between 3 and 10 years for other equipment.

##### Consignment stock

Consignment stock is stated at the lower of cost and net realisable value.

##### Pensions

Based on actuarial advice pension costs are charged to the profit and loss account on a basis where the regular cost is a substantially fixed percentage of the current and expected future pensionable payroll. Variations from the regular cost are allocated over the average remaining service lives of current employees.

##### Deferred taxation

Deferred taxation is provided under the liability method on timing differences where there is a reasonable probability that taxation will become payable in the foreseeable future.

**Notes to the accounts** continued

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31 October 1991

**Note 1**  
**Accounting policies**  
continued**Foreign currencies**

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Differences on exchange arising from the realignment of the balance sheets of subsidiary undertakings expressed in foreign currencies are included in reserve movements. Other translation differences are included in the profit and loss account.

**Note 2**  
**Parent company**

The Company's ultimate parent company is TSB Group plc, which is registered in Scotland. Its immediate parent company is TSB Bank plc, which is registered in England and Wales.

The accounts of TSB Group plc are available from the Secretary, TSB Group plc and the accounts of TSB Bank plc are available from the Secretary, TSB Bank plc both at 25 Milk Street, London EC3V 8LL.

**Note 3**  
**Operating profit**

Operating profit is stated after taking account of the following:

	1991 £m	1990 £m
<b>Expenses</b>		
Interest charges on deposit, current and other accounts		
Deposits and loans repayable within five years	19.3	44.9
Depreciation of fixed assets (note 14)	1.8	1.8
Auditors' remuneration	0.2	0.1
Pension contributions (note 21)	0.9	1.1
Operating lease rentals in respect of:		
Premises	3.3	3.2
Equipment	-	0.2

Notes to the accounts continued

31 October 1991

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Note 4  
**Directors' emoluments**

	1991 £000	1990 £000
The aggregate emoluments of the directors of the Company were:		
Fees in respect of services to United Dominions Trust Limited and its subsidiary undertakings	-	-
Salaries and other emoluments, including pension contributions, as executives	466.1	259.4
Total directors' emoluments	466.1	259.4
Chairmen's emoluments (neither Mr M K Pedelty nor Mr H K Paron received any emoluments during their period as Chairman)	-	-
Highest paid director's emoluments	91.8	39.2

The number of directors whose emoluments, excluding pension contributions, fell within the following bands were:

Range (£)	1991 Directors	1990 Directors
0 to 5,000	3	4
20,001 to 25,000	-	2
25,001 to 30,000	-	1
30,001 to 35,000	-	1
35,001 to 40,000	-	3
50,001 to 55,000	1	-
55,001 to 60,000	2	-
65,001 to 70,000	1	-
70,001 to 75,000	1	-
90,001 to 95,000	1	-

No director served throughout the whole of 1990 as an executive director; the emoluments shown for that year represent the amounts earned during their period of appointment.

Note 5  
**Transactions with directors  
and officers**

At 31 October 1991 the aggregate amounts outstanding under transactions, arrangements and agreements entered into by the Company or its subsidiary undertakings with directors, persons connected with directors and officers were:

	Number of persons	Amount £000
Directors' loans	3	5
Officers' loans	3	12

The transactions were made in accordance with the Company's normal lending policies for employees and are disclosed in accordance with the requirements of the Companies Act 1985.

Notes to the accounts continued

14

31 October 1991

Note 6  
Taxation

	1991 £m	1990 £m
<b>Current year</b>		
UK corporation tax	14.5	(4.3)
Deferred taxation	(5.5)	12.6
	9.0	8.3
<b>Prior years</b>		
UK corporation tax	2.5	0.1
Deferred taxation	(3.7)	-
	7.8	8.4

Corporation tax has been provided at 33.4% (1990 - 35%) on the taxable profits of the year arising in the United Kingdom.

The charge for taxation for 1991 has been increased by £1.1m (1990 - £0.8m) relating to timing differences, principally the restriction of writing down allowances on expensive cars, which would give rise to a deferred tax asset which is not recognised in these accounts.

The prior year charge for corporation tax includes £1.0m in respect of stock relief previously credited but now deemed to be non receivable and £1.2m relating to a reclassification of deferred tax.

The prior year credit for deferred tax comprises the reclassification above and £2.5m recognised following the reduction in the corporation tax rate.

Note 7  
Profit dealt with in the  
accounts of the company

The profit after taxation for the year dealt with in the accounts of the Company amounts to £8.8m (1990 - £10.0m).

Note 8  
Dividends

	1991 £m	1990 £m
<b>Interim</b>		
No interim dividend was paid in 1991 (1990 - 0.9 pence)	-	0.8
<b>Final</b>		
No final dividend is recommended (1990 - nil)	-	-

Note 9  
Cash and short-term funds

	1991		1990	
	£m	£m	£m	£m
Cash in hand and with bankers	5.3	6.5	2.6	3.5

Note 10  
Notices and fixed loans

Notices and fixed loans consist of secured and unsecured loans with a maturity less than 12 months, to United Kingdom local authorities and public corporations, discount houses and institutions authorised under the Banking Act 1987.

Note 11  
Investments in subsidiary  
undertakings

	1991 £m	1990 £m
Cost at 31 October	3.5	3.5

Principal subsidiary undertakings are shown on page 78.

Notes to the accounts *continued*

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## Note 12

**Advances to customers**

	The Group		The Company	
	1991 £m	1990 £m	1991 £m	1990 £m
Personal loans and instalment credit balances	1,246.4	1,188.7	741.4	755.7
Deduct: Deferred income	221.5	214.5	138.1	134.1
	1,024.9	974.2	603.3	621.6
Assets leased to customers	474.8	503.1		
Deduct: Finance charges	63.4	88.9		
	411.4	414.2		
Advances and loans	146.3	146.2	102.5	105.8
Consignment stock	12.8	11.1		
	1,595.4	1,545.7	705.8	727.4
Total instalments receivable in the year:				
Instalment credit	604.7	572.5	396.8	353.0
Leasing	247.2	262.7		
Total cost of assets financed in the year:				
Instalment credit	961.8	912.2	515.6	486.2
Leasing	241.9	407.3		
Included in assets leased to customers is £237.6m (1990 - £288.4m) which falls due after more than one year.				

## Note 13

**Balances with fellow and own subsidiary undertakings**

	The Group		The Company	
	1991 £m	1990 £m	1991 £m	1990 £m
Balances due from own subsidiary undertakings	-	-	912.9	831.0
Balances due from fellow subsidiary undertakings	251.1	420.8	148.0	365.4
	251.1	420.8	1,060.9	1,196.4
Balances due to own subsidiary undertakings	-	-	8.0	3.5
Balances due to fellow subsidiary undertakings	1,453.9	1,498.6	1,452.3	1,490.2
	1,453.9	1,498.6	1,460.3	1,493.7

## Note 14

**Premises and equipment**

	The Group			The Company	
	Premises £m	Equipment £m	Total £m	Equipment £m	Total £m
<b>Cost</b>					
At 31 October 1990	0.1	9.0	9.1	9.0	9.0
Additions	0.4	2.0	2.4	2.0	2.0
Disposals	(0.1)	(1.1)	(1.2)	(1.1)	(1.1)
At 31 October 1991	0.4	9.9	10.3	9.9	9.9
<b>Depreciation</b>					
At 31 October 1990	-	3.5	3.5	3.5	3.5
Charge for the year	-	1.8	1.8	1.8	1.8
Disposals	-	(0.5)	(0.5)	(0.5)	(0.5)
At 31 October 1991	-	4.8	4.8	4.8	4.8
Net book value at 31 October 1991	0.4	5.1	5.5	5.1	5.1
Net book value at 31 October 1990	0.1	5.5	5.6	5.5	5.5

The premises comprise freehold buildings.



Notes to the accounts continued

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## Note 15

## Current and deposit accounts

	The Group		The Company	
	1991 £m	1990 £m	1991 £m	1990 £m
Interest bearing	127.4	245.9	127.4	245.9

## Note 16

Creditors and  
accrued expenses

	The Group		The Company	
	1991 £m	1990 £m	1991 £m	1990 £m
Accrued interest	6.7	12.5	6.7	12.5
Taxation	9.8	(7.3)	5.9	5.8
Other creditors	35.2	49.6	20.3	24.3
	51.7	54.8	32.9	42.6

## Note 17

## Deferred taxation

	The Group	
	1991 £m	1990 £m
Balance at 31 October 1990	45.7	33.1
Charged to profit and loss account - current year	(5.5)	12.6
- prior year	(3.7)	-
Balance at 31 October 1991	36.5	45.7

The Company has provided in full for all deferred tax liabilities in respect of accelerated capital allowances. The Company has not recognised deferred tax assets in respect of accelerated capital allowances of £2.9m (1990 - £1.8m).

## Note 18

Interest bearing  
subordinated loan

	The Group		The Company	
	1991 £m	1990 £m	1991 £m	1990 £m
Immediate parent company	44.9	44.9	44.9	44.9

The Company has a subordinated loan agreement dated 30 April 1989 with its immediate parent company JSB Bank plc. At 31 October 1991, the Company had outstanding an interest bearing subordinated loan under this agreement of £44.9m. Interest is payable at rates agreed to by both parties.

## Note 19

Called up  
share capital

	1991 £m	1990 £m
Ordinary shares of £1 each:		
Authorised	100.0	100.0
Allotted, called up and fully paid	87.3	87.3

## Note 20

## Reserves

	The Group		The Company	
	Share premium £m	Retained profits £m	Share premium £m	Retained profits £m
Balance at 31 October 1990	8.4	50.4	8.4	39.0
Profit and loss account	-	15.9	-	8.8
Balance at 31 October 1991	8.4	66.3	8.4	47.8

Notes to the accounts *continued*

31 October 1991

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Note 21  
Pensions

The Company is a member of the TSB Group Pension Scheme. The Scheme is of the defined benefit, final salary type, self administered, and funded to cover future pension liabilities including expected future earnings and pension increases. Formal actuarial valuations are carried out by qualified actuaries annually, the latest at 1 November 1990. Further details of the most recent actuarial valuation and main actuarial assumptions are disclosed in the accounts of TSB Group plc.

The actuaries to the scheme are employed by Noble Lowndes & Partners Limited, a fellow subsidiary undertaking of the TSB Group.

Note 22  
Commitments

Capital expenditure not provided in these accounts comprises:

	The Group		The Company	
	1991	1990	1991	1990
	£m	£m	£m	£m
Authorised but not contracted	—	—	—	—

Annual commitments under operating leases are as follows:

	The Group			
	1991	1991	1990	1990
	Premises	Equipment	Premises	Equipment
	£m	£m	£m	£m
Expiring				
Within 1 year	0.2	—	0.1	—
Within 2 to 5 years	0.2	—	0.2	—
In more than 5 years	3.3	—	3.0	—
	3.7	—	3.3	—

	The Company			
	1991	1991	1990	1990
	Premises	Equipment	Premises	Equipment
	£m	£m	£m	£m
Expiring				
Within 1 year	0.2	—	0.1	—
Within 2 to 5 years	0.2	—	0.2	—
In more than 5 years	3.3	—	3.0	—
	3.7	—	3.3	—

Note 23  
Contingent liabilities

A claim has been received by a subsidiary undertaking for warranties given in 1989 in respect of the sale of a trade investment. Insufficient information is available to quantify the amount of any probable liability, but it is expected to be less than the maximum liability under the Sale and Purchase Agreement of £1.35 million.

Under the Consumer Credit Act, the Company and certain subsidiary undertakings are jointly liable with suppliers of goods financed for claims arising against the suppliers. The Company is not aware of any substantial claims presently outstanding.

## Principal subsidiary undertakings

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Name	Nature of business
B.W. Finance Limited	Leasing
Carlease Limited	Leasing
I.M. Finance Limited (50.01%) (‘B’ Ordinary shares)	Financial services
MCL Finance Ltd. (50.01%)	Financial services
Old Broad Street Securities (Nominees) Limited	Leasing
Precision Leasing Limited	Leasing
Proton Finance Limited	Financial services
Shogun Finance Limited	Financial services
UDT Limited	Leasing
UDT Autolease Limited	Leasing
UDT Budget Leasing Limited	Leasing
UDT Caravan Finance Ltd.	Installment credit
UDT Dealer Services Limited	Provision of stock on consignment terms to car and caravan traders
UDT Motorlease Limited	Leasing
UDT Rapid Leasing Limited	Leasing
UDT Sales Finance Limited	Leasing
UDT 4 Wheel Leasing Limited	Leasing
United Dominions Leasing Limited	Leasing
VCCS Finance Limited (51%) (‘B’ Ordinary shares)	Financial services

The principal subsidiary undertakings at 31 October 1991, all of which were wholly owned unless otherwise stated, are shown above. All these companies are registered in England and Wales and operate in the United Kingdom.  
Unless otherwise indicated, the shares held in all the above subsidiary undertakings are ordinary shares.