

BOWMAKER CREDIT LIMITED

REPORT OF THE DIRECTORS AND ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 1995



Registered number 1400500

BOWMAKER CREDIT LIMITED

DIRECTORS

D. A. Baggaley
A. G. Glass

REPORT OF THE DIRECTORS

The directors submit herewith the Balance Sheet at 31st July 1995, together with the Profit and Loss Account for the year ended on that date.

PROFIT AND DIVIDEND

The profit for the year is set out in the attached Profit and Loss Account. The directors propose payment of a dividend of £640,000 for the year.

PRINCIPAL ACTIVITY

The principal activity of the company is leasing.

BUSINESS REVIEW

There has been a significant increase in the level of business transacted during the year and the year end financial position was satisfactory. The directors do not anticipate that the level of business will be maintained in the following year at the same level as the year under review.

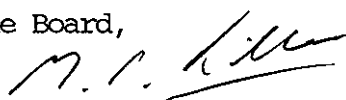
DIRECTORS

The directors listed above were directors throughout the year.

Neither of the directors had a beneficial interest in the shares of the company during the year. The interests of the directors in shares and options to subscribe for shares in other group companies were as follows:-

	<u>At 31.7.95</u>		<u>Options</u>	<u>Options</u>	<u>At 1.8.94</u>	
	<u>Shares</u>	<u>Options</u>	<u>exercised</u>	<u>granted</u>	<u>Shares</u>	<u>Options</u>
			<u>during year</u>	<u>during year</u>		
In the ordinary shares of £1 each of Lloyds Bank Plc:						
D. A. Baggaley	-	-	-	-	-	-
A. G. Glass	6,392	-	-	-	6,392	-
In the ordinary shares of 5p each of Lloyds Abbey Life plc:						
D. A. Baggaley	4,473	70,175	41,474	1,131	4,242	110,518
A. G. Glass	-	41,281	-	-	-	41,281

By Order of the Board,



M. P. KILBEE
Secretary
Bournemouth
1st December 1995

BOWMAKER CREDIT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit of the company for that year. In preparing those accounts, 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 accounts; and
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

REPORT OF THE AUDITORS
TO THE MEMBERS OF BOWMAKER CREDIT LIMITED

We have audited the accounts on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

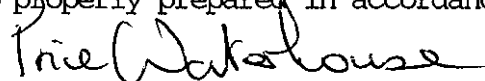
Basis of opinion

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 accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st July 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors
Albany House
58 Albany Street
Edinburgh EH1 3QR
1st December 1995

BOWMAKER CREDIT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST JULY 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	2	2,766,329	654,319
OTHER OPERATING CHARGES		(61,672)	(2,780)
INTEREST PAYABLE	4	(1,753,381)	(184,085)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	951,276	467,454
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	(313,971)	(154,535)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		637,305	312,919
PROPOSED DIVIDEND		(640,000)	(310,000)
		(2,695)	2,919
RETAINED PROFIT BROUGHT FORWARD		3,722	803
RETAINED PROFIT CARRIED FORWARD		1,027	3,722

There are no recognised gains and losses other than the profit for the year and all operations are continuing.

The notes on pages 5 to 7
form part of these accounts.


BOWMAKER CREDIT LIMITED

BALANCE SHEET

AT 31ST JULY 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
CURRENT ASSETS			
Debtors: due within one year	6	24,886,747	9,397,874
due after more than one year	6	52,925,370	22,029,558
		<u>77,812,117</u>	<u>31,427,432</u>
CREDITORS: amounts falling due within one year	7	<u>(61,553,172)</u>	<u>(25,013,933)</u>
NET CURRENT ASSETS		16,258,945	6,413,499
PROVISIONS FOR LIABILITIES AND CHARGES	8	(5,427,000)	(1,704,000)
ACCRUALS AND DEFERRED INCOME	9	<u>(10,830,818)</u>	<u>(4,705,677)</u>
NET ASSETS		<u>1,127</u>	<u>3,822</u>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	10	100	100
PROFIT AND LOSS ACCOUNT		<u>1,027</u>	<u>3,722</u>
SHAREHOLDERS' FUNDS		<u>1,127</u>	<u>3,822</u>

The notes on pages 5 to 7
form part of these accounts.


D. A. BAGGALEY
Director

BOWMAKER CREDIT LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting Convention:

The accounts are prepared under the historical cost convention 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 Financial Reporting Standard 1 is included in the accounts of an intermediate holding company, Lloyds Abbey Life plc.

(b) Deferred Income:

Income from leasing contracts is credited to the profit and loss account over the period of investment in proportion to the level of net funds invested.

(c) Deferred Taxation:

Deferred taxation is provided at appropriate rates of corporation tax in respect of timing differences where there is a reasonable probability that such taxation will become payable in the foreseeable future.

2. TURNOVER

Turnover represents the amount of leasing income earned under instalment finance arrangements.

During the year aggregate receivables were £8,120,745 (1994, £4,012,541) and the cost of assets acquired during the year was £44,549,500 (1994, £24,410,100).

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The following have been taken into account in arriving at the profit:

	<u>1995</u> £	<u>1994</u> £
Audit fee	<u>2,000</u>	<u>2,000</u>
Bad and doubtful debts credit	<u>47,303</u>	<u>57,403</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. INTEREST PAYABLE

On loans from group companies	<u>1,753,381</u>	<u>184,085</u>
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BOWMAKER CREDIT LIMITED

NOTES TO THE ACCOUNTS

5.	TAXATION			<u>1995</u>	<u>1994</u>
				£	£
	Current year:				
	Group relief receivable at 33%			(3,409,029)	(1,274,465)
	Transfer to deferred taxation			3,723,000	1,429,000
				<u>313,971</u>	<u>154,535</u>
6.	DEBTORS			<u>1995</u>	<u>1994</u>
		Due within	Due after	Due within	Due after
		<u>one year</u>	<u>more than</u>	<u>one year</u>	<u>more than</u>
		£	£	£	£
	Trade debtors:				
	Rentals receivable under				
	leasing contracts, less				
	provisions	18,359,712	52,925,370	6,737,812	22,029,558
	Group relief receivable	3,409,029	-	588,415	-
	Amounts owed by group				
	companies	76,352	-	21,062	-
	Other debtors	3,041,654	-	2,050,585	-
		<u>24,886,747</u>	<u>52,925,370</u>	<u>9,397,874</u>	<u>22,029,558</u>
7.	CREDITORS: amounts falling due			<u>1995</u>	<u>1994</u>
	within one year			£	£
	Amounts owed to group companies			56,498,574	18,832,938
	Trade creditors			4,414,598	5,870,995
	Dividend proposed			640,000	310,000
				<u>61,553,172</u>	<u>25,013,933</u>

BOWMAKER CREDIT LIMITED

NOTES TO THE ACCOUNTS

8. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred Taxation	
Balance at 31st July 1994	1,704,000
Transfer from profit and loss account	3,723,000
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Balance at 31st July 1995	5,427,000
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The amounts provided at 31st July 1995 and 1994 were the full potential liabilities and were attributable to accelerated capital allowances.

9. ACCRUALS AND DEFERRED INCOME

	<u>1995</u>	<u>1994</u>
	£	£
Unearned leasing income	<u>10,830,818</u>	<u>4,705,677</u>

10. SHARE CAPITAL

Authorised, allotted, called-up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. APPROVAL OF ACCOUNTS

These accounts were approved by the Board of Directors on 1st December 1995.

12. PARENT COMPANIES

The company's ultimate parent company is Lloyds Bank Plc which is registered in England and Wales. A copy of its group accounts can be obtained from Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

The company's intermediate parent company is Lloyds Bowmaker Finance Limited which is registered in England and Wales. A copy of its group accounts can be obtained from Lloyds Bowmaker Finance Limited, 51 Holdenhurst Road, Bournemouth BH8 8EP.