

EVANSVILLE LIMITED
REGISTERED NUMBER 1598402
DIRECTORS' REPORT AND ACCOUNTS
31 MAY 1996



EVANSVILLE LIMITED

DIRECTORS' REPORT - YEAR ENDED 31 MAY 1996

The directors present their report and accounts for the year ended 31 May 1996.

ACTIVITIES

The main activity of the company is the leasing of vehicles, plant and equipment.

The directors consider that the results for the year are satisfactory and anticipate that the present level of activity will be sustained for the foreseeable future.

ACCOUNTS

The results for the year show a profit after taxation of £35,591 (1995: £89,809). The directors do not recommend the payment of a dividend (1995: £nil).

DIRECTORS

The names of the persons who were directors throughout the year, unless otherwise stated, are as shown below:

E H Murray
A C Dempster
C Cameron

EVANSVILLE LIMITED

DIRECTORS' REPORT - YEAR ENDED 31 MAY 1996

DIRECTORS' INTERESTS

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

	<u>At 31 May 1996</u>		<u>At 31 May 1995</u>	
	<u>Shares</u>	<u>Under Option</u>	<u>Shares</u>	<u>Under Option</u>
A C Dempster	139,479	54,369	25,480	188,542
E H Murray	12,651	45,930	1,551	76,636
C Cameron	5,088	14,914	1,870	15,940

The option to purchase shares shown above were granted under the terms of the executive share option and sharesave schemes of the Lloyds TSB Group, and are exercisable in normal circumstances between now and 2006 at prices ranging from 96 pence to 321 pence per share.

During the year additional share options were granted to executive directors. The details are as shown below.

	<u>Options granted</u>	<u>Options exercised</u>
A C Dempster	14,250	148,423
E H Murray	9,291	39,997
C Cameron	818	1,844

By order of the board.



J W Fraser
Secretary

EVANSVILLE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the auditors' 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 accounts.

The directors are required by the Companies Act 1985 to prepare accounts 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 the accounts on pages 5 to 11, 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 use a going concern basis in preparing the accounts 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 accounts 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 accounts 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 accounts are in agreement with the accounting records;
- that directors' emoluments and other transactions with directors are properly disclosed in the accounts; 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 accounts.

REPORT OF THE AUDITORS TO THE MEMBERS OF EVANSVILLE LIMITED

We have audited the accounts on pages 5 to 11.

Respective Responsibilities of Directors and Auditors

As described on page 3, the company's directors are responsible for the preparation of 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 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, 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 31 May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors
Edinburgh

21 December 1996

EVANSVILLE LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MAY 1996**

		1996 £000	1995 £000
	Note		
Turnover	1 (b)	300	271
Interest Payable	2	(178)	(176)
		<hr/>	<hr/>
Gross Profit		122	95
Other Operating (Costs)/Income		(56)	14
		<hr/>	<hr/>
Profit before taxation	2	66	109
Taxation charge for year	3	30	19
		<hr/>	<hr/>
Profit on ordinary activities		36	90
Profit brought forward		241	151
		<hr/>	<hr/>
Profit carried forward		<u>277</u>	<u>241</u>

Reconciliation of movement in Shareholders' Funds

Shareholders' funds brought forward	241	151
Retained profit for year	36	90
	<hr/>	<hr/>
Shareholders' funds carried forward	<u>277</u>	<u>241</u>

There are no recognised gains or losses other than those reported above.

There are no discontinued operations.


The notes on pages 7 to 11 form part of these accounts.

EVANSVILLE LIMITED

BALANCE SHEET - 31 MAY 1996

		1996 £000	1995 £000
	Note		
DEBTORS: Amounts receivable within one year	4	4,614	1,237
CREDITORS: amounts falling due within one year	5	7,831	2,929
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(3,217)	(1,692)
DEBTORS: amounts receivable after more than one year	4	3,900	2,240
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		683	548
CREDITORS: amounts falling due after more than one year	5	-	223
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	6	406	84
		<hr/>	<hr/>
NET ASSETS		<u>277</u>	<u>241</u>
CAPITAL AND RESERVES			
Called-up share capital	7	-	-
Profit and loss account		277	241
		<hr/>	<hr/>
		<u>277</u>	<u>241</u>

Approved by the Board at its meeting held on 18 DECEMBER 1996


A C Dempster
Director

The notes on pages 7 to 11 form part of these accounts.

EVANSVILLE LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1996

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover during the period represents net rentals receivable, being the gross rentals receivable less the capital element.

(c) Income recognition

Income from leases is credited to the profit and loss account in proportion to the net cash invested using the investment period method.

In order to give effect to the grossing up of profit after taxation, in respect of leases entered into during the period of falling tax rates, a taxation equalisation reserve and a profit before taxation equalisation reserve are established in the year in which leased assets are purchased.

(d) Finance Lease Receivables

Finance lease receivables are included in the balance sheet at the amount of the net investment in the lease, which is defined as total future rentals receivable less finance charges allocated to future periods.

(e) 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.

EVANSVILLE LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1996

2. **PROFIT BEFORE TAXATION**

Profit before taxation is stated after deducting the following:

	1996 £000	1995 £000
Directors' emoluments	-	-
Auditors' remuneration	-	-
Interest payable on loans from fellow subsidiary companies	178	176
and after crediting:-		
Finance lease rentals receivable	1,305	1,241

Auditors' remuneration has been borne by a group company.

There were no employees (1995:Nil).

EVANSVILLE LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1996

3. TAXATION

The charge for taxation is based on the results for the year using a UK corporation tax rate of 33% (1995: 33%).

	1996 £000	1995 £000
Current Year:		
Group relief receivable	(293)	(22)
Deferred taxation	322	41
Notional taxation	1	-
	<u>30</u>	<u>19</u>
Previous Year:		
Group relief payable	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Taxation Charge	<u><u>30</u></u>	<u><u>19</u></u>

4. DEBTORS

	1996 £000	1995 £000
Amounts falling due within one year:		
Rentals receivable on leased assets	3,611	1,089
Other debtors	708	89
Group relief receivable	295	59
	<u><u>4,614</u></u>	<u><u>1,237</u></u>
Amounts falling due after more than one year:		
Rentals receivable on leased assets	<u><u>3,900</u></u>	<u><u>2,240</u></u>

The cost of assets acquired during the year for the purpose of letting under finance leases amounted to £5,096,180 (1995: £1,165,000).

Included in the total rentals receivable on leased assets is an amount of £nil (1995: £31,728) due from the immediate parent company.

EVANSVILLE LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1996

5. <u>CREDITORS</u>	1996	1995
	£000	£000
Amounts falling due within one year:		
Accruals and deferred income	342	132
Amounts due to immediate holding company	3,913	2,410
Other Creditors	3,576	387
	<hr/>	<hr/>
	<u>7,831</u>	<u>2,929</u>
Amounts falling due after more than one year:		
Amounts owed to immediate parent company repayable within:-		
2 - 5 Years	-	223

6. DEFERRED TAXATION

The provision is calculated at 33% on the full potential liability and is in respect of accelerated capital allowances.

The movement in the deferred tax provision was as follows:

	£000
At 1 June 1995	84
Profit and loss account - Current Year	322
	<hr/>
At 31 May 1996	<u>406</u>

EVANSVILLE LIMITED

NOTES TO THE ACCOUNTS - 31 MAY 1996

7. CALLED-UP SHARE CAPITAL

	<u>1996</u>		<u>1995</u>	
	<u>Authorised</u>	Allotted Called-up and <u>fully paid</u>	<u>Authorised</u>	Allotted Called-up and <u>fully paid</u>
	£	£	£	£
Ordinary shares of 25p each - non-voting	950	50	950	50
6% Preference shares of 25p each	50	50	50	50
	<u>1,000</u>	<u>100</u>	<u>1,000</u>	<u>100</u>

8. CASHFLOW STATEMENT

A cash flow statement is not presented as the company is a wholly owned subsidiary undertaking of Lloyds TSB Group plc, whose accounts include a consolidated cash flow statement dealing with the cash flows of the group.

9. ULTIMATE PARENT COMPANY

The company is a subsidiary of TSB Bank Scotland plc, a company whose ultimate parent company is Lloyds TSB Group plc, which is registered in Scotland. The name of the ultimate parent company was amended to Lloyds TSB Group plc in December 1995, following the merger of Lloyds Bank Plc with TSB Group plc.

Copies of the accounts of TSB Bank Scotland plc are available from the Secretary, Henry Duncan House, 120 George Street, Edinburgh.

Copies of the accounts of Lloyds TSB Group plc are available from the Secretary, 71 Lombard Street, London EC3P 3BS.