

2003546

BUS & COACH LEASING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995



Bus & Coach Leasing Limited is registered in England and Wales No. 2003546.
Registered Office: Lombard House, 3 Princess Way, Redhill, Surrey, RH1 1NP.

BUS & COACH LEASING LIMITED

DIRECTORS

J Johnson (Chairman)

B A C Chivers

P Higgins

P E Lord

G McKenzie

R W Wood

SECRETARY

D J Lewis

BUS & COACH LEASING LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the financial statements for the year ended 30 September 1995.

PRINCIPAL ACTIVITY

The principal activity of the group is the provision of credit finance by way of leasing and contract hire facilities and the provision of associated residual value undertakings.

BUSINESS REVIEW

The net amount financed under all forms of financial agreements entered into during the year was £nil (1994 - £nil).

The group profit on ordinary activities before taxation was £271,000 (1994 - £322,000) on which there was a taxation charge of £89,000 (1994 - £110,000). The directors recommend that no dividend be paid and that the balance of £182,000 (1994 - £212,000) be dealt with as shown in the profit and loss account on page 7.

The group traded profitably during the year under review and the directors expect that it will continue to do so.

DIRECTORS

The present directors are as shown on page 1.

Mr M A Maberly resigned from the board on 31 December 1994. Mr T H L Worthington resigned from the board on 14 March 1996.

Mr P Higgins was appointed to the board on 5 October 1995.

BUS & COACH LEASING LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS

According to the register kept by the company, the interests of the directors at the year end in the share and loan capital of National Westminster Bank Plc group undertakings were as follows:-

Ordinary Shares of £1 each in
National Westminster Bank Plc

	<u>1 October 1994</u>	<u>30 September 1995</u>
Beneficially owned:		
J Johnson	-	115
P E Lord	672	672
Held by the Trustees of the National Westminster Bank Plc group 1979 Profit Sharing Share Scheme:		
P E Lord	285	725

Share options in ordinary shares of £1 each of National Westminster Bank Plc:-

	<u>As at</u> <u>1 October 1994</u>	<u>Granted</u>	<u>Exercised</u>	<u>As at</u> <u>30 September 1995</u>
	<u>No.</u>	<u>No.</u>	<u>No.</u>	<u>No.</u>
1986 Executive Share Option Scheme:				
J Johnson	7,099	-	3,115	3,984
T H L Worthington	8,376	-	-	8,376
1994 Executive Share Option Scheme:				
J Johnson	5,691	14,862	-	20,553
P E Lord	-	1,750	-	1,750
T H L Worthington	4,253	3,500	-	7,753
Staff Savings-Related Share Option Scheme:				
P E Lord	2,030	553	-	2,583
T H L Worthington	2,852	-	-	2,852

BUS & COACH LEASING LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (Continued)

National Westminster Bank Plc operates an employee share ownership plan called the Medium Term Equity Plan ("MTEP"). This takes the form of a discretionary trust which may acquire shares in National Westminster Bank Plc. Such shares are held by the trust subject to the terms of the MTEP for discretionary beneficiaries who are defined as employees or former employees of National Westminster Bank Plc or of any of its subsidiaries (as defined by section 736 of the Companies Act 1985). Certain directors of the company, who are employees of National Westminster Bank Plc or its subsidiaries, being members of the class of potential beneficiaries of the MTEP are, to that extent, interested in all the National Westminster Bank Plc shares held by the Trust. At 30 September 1995 the Trust held 379,490 ordinary shares of £1 each in National Westminster Bank Plc.

No other director at the year end is registered as having interests during the year in the share and loan capital of National Westminster Bank Plc group undertakings.

FIXED ASSETS

Details of movements in fixed assets are given in note 8 to the financial statements.

By order of the board



Derek Lewis
Secretary

2 May 1996

BUS & COACH LEASING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS, KPMG,
TO THE MEMBERS OF BUS & COACH LEASING LIMITED

We have audited the financial statements on pages 7 to 18.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of financial statements. 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 group'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 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 affairs of the company and the group as at 30 September 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

**Chartered Accountants
Registered Auditors**

4/6/96

Sheffield

BUS & COACH LEASING LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Turnover	2	785	1,022
Other operating income		202	189
		<u>987</u>	<u>1,211</u>
Depreciation on assets held for use in operating leases	8	(606)	(717)
Other operating charges		(6)	(9)
Operating profit	3	<u>375</u>	<u>485</u>
Interest receivable from National Westminster Bank Plc group undertakings		35	24
		<u>410</u>	<u>509</u>
Interest payable	5	(139)	(187)
Group profit on ordinary activities before taxation		<u>271</u>	<u>322</u>
Taxation charge on group profit on ordinary activities	6	(89)	(110)
Retained profit for the financial year	13	<u>182</u>	<u>212</u>

RECOGNISED GAINS AND LOSSES

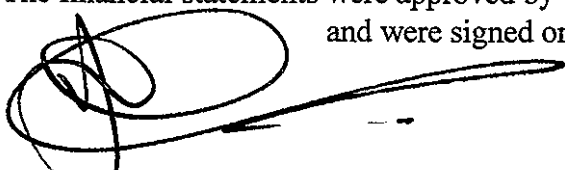
There are no recognised gains or losses other than the profit attributable to the group of £182,000 in the year ended 30 September 1995 and of £212,000 in the year ended 30 September 1994.

The notes on pages 11 to 18 form part of these financial statements.

BUS & COACH LEASING LIMITED
CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
<u>ASSETS</u>			
FIXED ASSETS			
Tangible assets	8	1,702	2,979
CURRENT ASSETS			
Stocks	10	1,867	1,268
Debtors falling due within one year	11	469	454
		<u>4,038</u>	<u>4,701</u>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	724	542
Shareholders' funds	13	<u>824</u>	<u>642</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	561	989
CREDITORS	15	2,653	3,070
		<u>4,038</u>	<u>4,701</u>

The financial statements were approved by the board of directors on **2 May 1996**
and were signed on their behalf by :-


Jeffrey Johnson, Chairman

All of the above share capital relates to equity funds.

The notes on pages 11 to 18 form part of these financial statements.

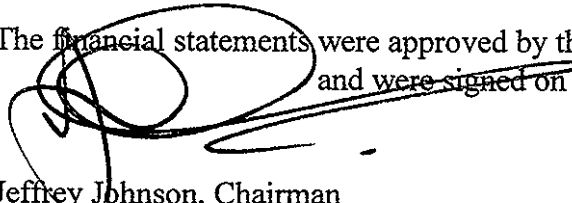
BUS & COACH LEASING LIMITED

BALANCE SHEET

AT 30 SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
<u>ASSETS</u>			
FIXED ASSETS			
Tangible assets	8	1,121	1,888
Investment in subsidiary company	9	-	-
		<u>1,121</u>	<u>1,888</u>
CURRENT ASSETS			
Stocks	10	1,867	1,268
Debtors falling due within one year	11	461	470
		<u>3,449</u>	<u>3,626</u>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	333	213
Shareholders' funds	13	<u>433</u>	<u>313</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	14	370	626
CREDITORS			
	15	2,646	2,687
		<u>3,449</u>	<u>3,626</u>

The financial statements were approved by the board of directors on **2 May 1996**
and were signed on their behalf by :-


Jeffrey Johnson, Chairman

All of the above share capital relates to equity funds.

The notes on pages 11 to 18 form part of these financial statements.

BUS & COACH LEASING LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		<u>£'000</u>	<u>£'000</u>
Net cash inflow from operating activities	16	372	1,965
<u>Returns on investments and servicing of finance</u>			
Interest received		35	24
Interest paid		(139)	(187)
Net cash outflow from returns on investments and servicing of finance		(104)	(163)
<u>Taxation</u>			
Group relief paid		(543)	(803)
<u>Investing activities</u>			
Sale of assets held for inclusion in operating leases		706	364
Net cash inflow from investing activities		706	364
Net cash inflow before financing		431	1,363
<u>Financing activities</u>			
Repayment of amounts owed to group undertakings		431	1,363

The notes on pages 11 to 18 form part of these financial statements.

BUS & COACH LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared upon the basis of historical cost and in accordance with applicable accounting standards.

(b) Basis of consolidation

The financial statements of the subsidiary are made up to the date shown in note 9 for commercial reasons, but for consolidation purposes interim statements made up to 30 September 1995 have been consolidated.

(c) Finance leases

Assets made available to third parties under finance leases are treated as amounts receivable.

Income from finance leases is credited to profit and loss account in proportion to the funds invested.

(d) Operating leases

Assets held for use in operating leases are recorded as fixed assets.

Income from operating leases is credited to profit and loss account in proportion to the funds invested over the period of the relative contracts.

(e) Depreciation

Depreciation is provided on tangible fixed assets so as to write them down to their estimated residual value over their estimated useful lives as follows:

	<u>Basis</u>	<u>Estimated useful life</u>
Equipment	Straight line	5 - 10 years
Assets held for use in operating leases	Actuarial	Term of the contract

(f) Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that a tax liability is expected to arise in the future.

(g) Stock

The stock of vehicles for resale is stated at the lower of cost and net realisable value.

BUS & COACH LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. TURNOVER

Turnover represents lease income and termination adjustments credited to the profit and loss account during the year, all of which arises in the United Kingdom and is from continuing activities.

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Aggregate rentals receivable during the year were as follows:		
Finance leases	(36)	(172)
Operating leases	769	990
	<hr/>	<hr/>
	733	818
	<hr/>	<hr/>

3. OPERATING PROFIT

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Operating profit is stated after:		
Auditors' remuneration in respect of audit services	5	5
Profit on disposal of assets held for use in operating leases	35	30
	<hr/>	<hr/>

4. DIRECTORS' REMUNERATION AND INTERESTS

No emoluments were paid to any director by the group during the year (1994 - £nil).

None of the directors had any material interest in any contract of significance in relation to the business of the group.

BUS & COACH LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. INTEREST PAYABLE	<u>1995</u>	<u>1994</u>
	<u>£'000</u>	<u>£'000</u>
<u>On bank loans and overdrafts, and other loans wholly repayable within five years:</u>		
From National Westminster Bank Plc group undertakings	3	83
<u>On other loans not wholly repayable within five years:</u>		
From National Westminster Bank Plc group undertakings	102	78
From related company	34	26
	<u>139</u>	<u>187</u>
	<u> </u>	<u> </u>
6. TAXATION CHARGE	<u>1995</u>	<u>1994</u>
	<u>£'000</u>	<u>£'000</u>
UK corporation tax based on the results for the year at 33% (1994 - 33%)	(520)	(507)
Transfer from deferred taxation (note 14)	431	400
<u>Adjustments in respect of prior years:</u>		
UK corporation tax	546	803
Group relief payable*	(543)	(806)
Deferred tax (note 14)	(3)	-
	<u>(89)</u>	<u>(110)</u>
	<u> </u>	<u> </u>

*Provision for group relief is made on the assumption that the claimant companies will make payment to the surrendering companies at rates appropriate to the periods in which the losses claimed are utilised.

7. GROUP PROFIT DEALT WITH IN THE FINANCIAL STATEMENTS OF THE COMPANY

Advantage has been taken of the exemption from the requirement to publish a separate profit and loss account for Bus & Coach Leasing Limited and £120,000 (1994 - £126,000) of the group profit on ordinary activities after taxation has been dealt with in the financial statements of that company.

BUS & COACH LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. TANGIBLE FIXED ASSETS

	<u>Plant and equipment £'000</u>	<u>Assets held for use in operating leases £'000</u>	<u>Total £'000</u>
<u>Group</u>			
<u>Cost</u>			
At 1 October 1994	2	6,922	6,924
Disposals	-	(1,709)	(1,709)
At 30 September 1995	2	5,213	5,215
<u>Depreciation</u>			
At 1 October 1994	2	3,943	3,945
Charge for the year	-	606	606
Disposals	-	(1,038)	(1,038)
At 30 September 1995	2	3,511	3,513
<u>Net book value at 30 September 1995</u>	-	1,702	1,702
<u>Net book value at 30 September 1994</u>	-	2,979	2,979
<u>Company</u>			
<u>Cost</u>			
At 1 October 1994	2	4,966	4,968
Disposals	-	(922)	(922)
At 30 September 1995	2	4,044	4,046
<u>Depreciation</u>			
At 1 October 1994	2	3,078	3,080
Charge for the year	-	486	486
Disposals	-	(641)	(641)
At 30 September 1995	2	2,923	2,925
<u>Net book value at 30 September 1995</u>	-	1,121	1,121
<u>Net book value at 30 September 1994</u>	-	1,888	1,888

BUS & COACH LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. INVESTMENT IN SUBSIDIARY COMPANY

	<u>1995</u>	<u>1994</u>
Shares in subsidiary at cost	£100	£100
	=====	=====

The company holds 100% of the ordinary share capital of Bus & Coach Contracts Limited, which provides credit finance by way of leasing and contract hire facilities and is registered in England and Wales, with an accounting reference date of 31 May.

10. STOCKS

	<u>1995</u>		<u>1994</u>	
	Group	Company	Group	Company
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Stock of vehicles for resale	1,867	1,867	1,268	1,268
	=====	=====	=====	=====

11. DEBTORS

	<u>1995</u>		<u>1994</u>	
	Group	Company	Group	Company
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Amounts falling due:</u>				
Within one year				
Amounts owed by National Westminster Bank Plc group undertakings	401	401	364	364
Amounts owed by subsidiary undertakings	-	-	-	24
Net investment in finance leases	-	-	3	3
Other debtors	68	60	87	79
Total debtors	469	461	454	470
	=====	=====	=====	=====

BUS & COACH LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. CALLED UP SHARE CAPITAL

	<u>1995</u>		<u>1994</u>	
	<u>Authorised</u>	<u>Allotted, issued and fully paid</u>	<u>Authorised</u>	<u>Allotted, issued and fully paid</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
'A' Ordinary Shares of £1 each	250	25	250	25
'B' Ordinary Shares of £1 each	750	75	750	75
	<u>1,000</u>	<u>100</u>	<u>1,000</u>	<u>100</u>

13. PROFIT AND LOSS ACCOUNT AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share capital</u>	<u>Profit and loss account</u>	<u>Total shareholders' funds</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Group</u>			
Balance at 1 October 1994	100	542	642
Retained profit for the financial year	-	182	182
Balance at 30 September 1995	<u>100</u>	<u>724</u>	<u>824</u>
<u>Company</u>			
Balance at 1 October 1994	100	213	313
Retained profit for the financial year	-	120	120
Balance at 30 September 1995	<u>100</u>	<u>333</u>	<u>433</u>

BUS & COACH LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. DEFERRED TAXATION

	Group £'000	Company £'000
Balance at 1 October 1994	989	626
Transfer to profit and loss account (note 6)	(428)	(256)
Balance at 30 September 1995	<u>561</u>	<u>370</u>

The above balances represent the full potential liability in respect of capital allowances.

15. CREDITORS

	<u>1995</u>		<u>1994</u>	
	Group £'000	Company £'000	Group £'000	Company £'000
<u>Amounts falling due:</u>				
i) Within one year				
Amounts owed to National Westminster Bank Plc group undertakings	1	1	395	395
Amounts owed to subsidiary undertaking	-	272	-	-
Corporation tax payable	546	319	572	244
Accruals and deferred income	209	162	217	171
Other taxes	97	92	86	77
	<u>853</u>	<u>846</u>	<u>1,270</u>	<u>887</u>
ii) After one year				
Repayable in more than five years*				
Amounts owed to National Westminster Bank Plc group undertakings	1,350	1,350	1,350	1,350
Amounts owed to related company	450	450	450	450
	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>
Total creditors	<u>2,653</u>	<u>2,646</u>	<u>3,070</u>	<u>2,687</u>

*Represents subordinated unsecured loan stock at the London Interbank Market rate for one year sterling deposits, repayable in 2002.

BUS & COACH LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Operating profit	375	485
Decrease in debtors and prepayments	19	96
Increase/(decrease) in creditors and accruals	3	(59)
(Increase)/decrease in stock	(599)	881
Depreciation of assets held for use in operating leases	606	717
Profit on sale of assets held for use in operating leases	(35)	(30)
Net cash inflow from trading activities	<u>369</u>	<u>2,090</u>
Decrease in investment in finance leases	3	123
Increase in amounts owed by group undertakings	-	(248)
Net cash inflow from operating activities	<u>372</u>	<u>1,965</u>

17. FUTURE FINANCIAL COMMITMENTS

Bus & Coach Leasing Limited has guaranteed to buy back vehicles from companies within the Lombard North Central PLC group, to the value of £8.7 million, between October 1995 and September 2000.

18. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Lombard North Central PLC, the ultimate parent undertaking being National Westminster Bank Plc; both are registered in England and Wales.

Copies of the financial statements of Lombard North Central PLC can be obtained from:
The Secretary, Lombard North Central PLC, Lombard House, 3 Princess Way, Redhill, Surrey, RH1 1NP.

Copies of the financial statements of National Westminster Bank Plc can be obtained from:
The Secretary, National Westminster Bank Plc, 41 Lothbury, London EC2P 2BP.

BUS & COACH LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1995

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Turnover	607	726
Other operating income	175	162
	<hr/> 782	<hr/> 888
Depreciation on assets held for use in operating leases	(486)	(532)
Other operating charges	(6)	(10)
	<hr/> 290	<hr/> 346
Operating profit		
Interest receivable from National Westminster Bank Plc group undertakings	35	24
Interest receivable from subsidiary undertaking	—	6
	<hr/> 325	<hr/> 376
Interest payable	(139)	(187)
Interest payable to subsidiary undertaking	(7)	—
	<hr/> 179	<hr/> 189
Profit on ordinary activities before taxation		
Taxation charge on profit on ordinary activities	(59)	(63)
	<hr/> 120	<hr/> 126
Retained profit for the financial year	<hr/> <hr/>	<hr/> <hr/>

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £120,000 in the year ended 30 September 1995 and of £126,000 in the year ended 30 September 1994.

Jeffrey Johnson, Chairman