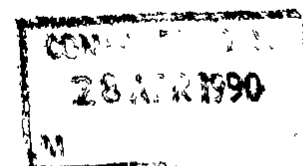


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Report and Accounts 1989



LLOYDS BANK FINANCIAL FUTURES LIMITED
REPORT AND ACCOUNTS

1989

LLOYDS BANK FINANCIAL FUTURES LIMITED

REPORT AND ACCOUNTS 1989

Registered office

71 Lombard Street
London EC3P 3BS

Directors

A E Moore CBE (Chairman)
S J Sanders (Managing Director)
L J D Bates
J G F Bovenizer
A R Hawkins
B J Milne

Secretary

F C A Maslen

NOTICE OF MEETING

Notice is hereby given that the annual general meeting of the Company will be held at 71 Lombard Street, London, on Wednesday, 2 May 1990 to receive the accounts and the reports of the directors and of the auditors, and to re-appoint the auditors.

A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of that member. A proxy need not be a member of the company.

By order of the board



F C A Maslen
Secretary

71 Lombard Street
London EC3P 3BS

7 February 1990

Lloyds Bank Financial Futures Limited

Report of the directors

Activities and results

The Company acts as broker in the field of financial futures.

During 1989 the Company has made good progress in developing business in broking financial futures for non Lloyds Bank Group companies. Further progress is likely in 1990.

The results for the year to 31 December 1989 show a profit after taxation of £192,000 (1988: £35,000) as set out in the profit and loss account on page 3. No dividend is proposed.

Directors

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

Mr M J Woods and Mr J D Nicholson resigned as directors on 30 May 1989 and 1 August 1989 respectively.

Reference is made on page 9 in note 12 to the interests of the directors in the capital of Lloyds Bank Plc, the ultimate holding company, and its subsidiaries.

Auditors

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their re-appointment as auditors will be submitted to the forthcoming annual general meeting.

By order of the board

F C A Maslen

Secretary

7 February 1990

Lloyds Bank Financial Futures Limited

Profit and loss account

for the year ended 31 December 1989

	Note	1989 £000	1988 £000
Interest income		1,409	836
Interest expense		<u>748</u>	<u>386</u>
Net interest income		661	450
Other operating income	2	<u>2,405</u>	<u>1,904</u>
Total income		3,066	2,354
Administrative expenses	3 & 4	<u>2,755</u>	<u>2,295</u>
Profit on ordinary activities before taxation	3	311	59
Taxation charge	5	<u>119</u>	<u>24</u>
Profit on ordinary activities for the year	11	<u>192</u>	<u>35</u>

The notes on pages 6 to 10 form part of these accounts

Lloyds Bank Financial Futures Limited

Balance sheet

at 31 December 1989

	Note	1989 £000	1988 £000
Fixed assets	6	84	98
Trade investments	7	110	110
Current assets	8	10,022	10,566
Creditors: amounts falling due within one year	9	8,731	9,481
Net current assets		<u>1,291</u>	<u>1,085</u>
Total assets less current liabilities		<u>1,485</u>	<u>1,293</u>
Capital and reserves			
Called up share capital	10	1,250	1,250
Profit and loss account	11	<u>235</u>	<u>43</u>
		<u>1,485</u>	<u>1,293</u>

A E Moore *Chairman*

S J Sanders *Managing Director*

A E Moore
S J Sanders

The notes on pages 6 to 10 form part of these accounts

Lloyds Bank Financial Futures Limited

Source and application of funds
for the year ended 31 December 1989

	1989 £000	1988 £000
Source of funds		
Profit before taxation	311	69
Items not involving the movement of funds:		
Depreciation	30	26
Loss on disposal of fixed assets	<u>—</u>	<u>5</u>
Funds generated by operations	<u>341</u>	<u>90</u>
 Application of funds		
Additions to fixed assets	16	105
Additions to trade investments	—	40
Increase (decrease) in working capital	302	(64)
Corporation tax paid	<u>23</u>	<u>9</u>
	<u>341</u>	<u>90</u>
 Increase (decrease) in working capital is represented by:		
(Decrease) increase in current assets	(544)	1,857
Decrease (increase) in creditors	<u>846</u>	<u>(1,921)</u>
	<u>302</u>	<u>(64)</u>

Lloyds Bank Financial Futures Limited

Notes to the accounts

1 Accounting policies

The accounts are prepared under the historical cost convention and in compliance with the requirements of the Companies Act 1985.

(a) Interest and fee income

Interest receivable and payable is included in the profit and loss account over the terms of the related loans and deposits.

Clearing fees and dealing charges are taken to profit and loss account as incurred.

(b) Foreign currency translation

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling on the balance sheet date. Differences on exchange are taken to the profit and loss account.

(c) Equipment and depreciation

Equipment is stated at cost and depreciated by equal annual instalments over five years.

(d) Deferred taxation

Deferred taxation is provided at the appropriate rates of taxation where there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

(e) Computer software

Computer software costs are charged to the profit and loss account in the period in which they are incurred.

(f) Trade investments

Trade investments are stated at cost less amounts written off.

(g) Pensions

With effect from 1989, the Company has implemented the requirements of Statement of Standard Accounting Practice No. 24 in respect of pension cost accounting. Contributions to the scheme, which are based upon the total pension cost for Lloyds Bank Plc as a whole, are charged to the profit and loss account so as to spread the expected cost of pensions, calculated in accordance with actuarial advice, on a systematic basis over employees' working lives.

Pension arrangements for staff are operated through a defined benefit scheme funded by Lloyds Bank. The pension cost relating to this scheme is assessed in accordance with the advice of qualified actuaries, using the projected unit method. Variations from the regular cost are allocated by equal instalments over the average remaining service lives of current employees. The latest full actuarial valuation of the scheme was carried out at 30 June 1987 and details of this valuation are given in the accounts of Lloyds Bank Plc.

2. Other operating income

Other operating income of the Company comprises clearing fees and dealing charges derived from the business of broking and excludes value added tax.

Lloyds Bank Financial Futures Limited
Notes to the accounts (continued)

3. Profit before taxation

The profit before taxation is stated after taking account of:

	1989 £000	1988 £000
Income		
Interest receivable from Group companies	1,294	753
Charges		
Interest payable to Group companies	335	217
Staff costs	1,176	945
Depreciation	30	26
Operating lease rentals	5	15
Auditors' remuneration	6	4
 Staff costs comprise:		
— wages and salaries	1,073	849
— social security costs	81	75
— pension cost	22	21
	<u>1,176</u>	<u>945</u>

4. Employees

All employees have contracts of service with Lloyds Bank Plc and are made available on a full time basis to the Company.

	1989 £000	1988 £000
5. Taxation		
Corporation tax	120	25
Deferred taxation	<u>(1)</u>	<u>(1)</u>
	<u>119</u>	<u>24</u>

The charge for taxation on the profit for the year is based on a United Kingdom corporation tax rate of 35% (1988: 35%).

Lloyds Bank Financial Futures Limited
Notes to the accounts (continued)

6	Fixed assets	Equipment	
		£000	
	Cost:		
	Balance at 1 January 1989	133	
	Additions	<u>16</u>	
	Balance at 31 December 1989	<u>149</u>	
	Depreciation:		
	Balance at 1 January 1989	35	
	Charge for year	<u>30</u>	
	Balance at 31 December 1989	<u>65</u>	
	Balance sheet amount at 31 December 1989	<u>84</u>	
	Balance sheet amount at 31 December 1988	<u>98</u>	
7.	Trade investments		
	Trade investments represent unlisted shares held in LIFFE (Holdings) Plc at cost. In the opinion of the directors, the value of these trade investments is not less than the amount at which they are stated in the balance sheet.		
8.	Current assets	1989	1988
		£000	£000
	Short-term funds and other accounts	1,324	1,746
	Deferred taxation	—	1
	Balance with clearing house	1,658	3,876
	Amounts due from Group companies	<u>7,040</u>	<u>4,943</u>
		<u>10,022</u>	<u>10,566</u>
9.	Creditors: amounts falling due within one year	1989	1988
		£000	£000
	Corporation tax	120	24
	Amounts due to customers	5,432	4,273
	Amounts due to Group companies	3,129	5,161
	Accruals	<u>50</u>	<u>23</u>
		<u>8,731</u>	<u>9,481</u>

Lloyds Bank Financial Futures Limited
Notes to the accounts (continued)

10 Called up share capital

	1989 £000	1988 £000
Authorised: ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, issued and fully paid: ordinary shares of £1 each	<u>1,250</u>	<u>1,250</u>

The whole of the allotted and issued share capital is owned by Lloyds Bank Plc, the ultimate holding company, which is incorporated in Great Britain.

11. Profit and loss account

	£000
Balance at 1 January 1989	43
Profit for the year	192
	<u> </u>
Balance at 31 December 1989	<u>235</u>

12. Directors' interests

The interests, all beneficial, of those who at 31 December 1989 were directors of the company but were not directors of Lloyds Bank Plc in the ordinary shares of Lloyds Bank Plc were:

Ordinary shares of £1 each				
	At 31 December 1989		At 1 January 1989	
	Shares	Options to subscribe for shares	Shares	Options to subscribe for shares
L J D Bates	1,408	—	896	—
J G F Bovenizer	—	21,205	—	17,212
A R Hawkins	4,876	4,500	1,743	—
B J Milne	8,670	43,787	5,213	23 189
S J Sanders	4,528	4,500	1,523	—

None of those directors had an interest at the beginning or end of the year in the loan capital of Lloyds Bank Plc or in the share or loan capital of its subsidiaries.

Lloyds Bank Financial Futures Limited
Notes to the accounts (continued)

13 Emoluments of directors

The aggregate emoluments of the directors were:

	1989 £000	1988 £000
Fees	—	—
Other emoluments	192	161

The Chairman received no emoluments in respect of his services to the company (1988: £ nil). The emoluments, excluding pension contributions, of the highest paid director were £104,311 (1988: £102,112).

The number of other directors whose gross emoluments, excluding pension contributions, were within each of the following ranges was:

Emoluments	Directors 1989	1988
£		
0 - 5,000	5	6
55,001 - 60,000	—	1
80,001 - 85,000	1	—

Emoluments receivable by directors under the Lloyds Bank group profit sharing schemes have this year been accounted for on accruals basis. The figures for 1988 have been re-stated accordingly.

14. Operating lease commitments

There are operating lease commitments in respect of the hire of motor vehicles. The aggregate amount due in 1990 comprises:

	£000
On leases expiring within 1 year	2

15. Capital commitments

There were no capital commitments outstanding at 31 December 1989.

16. Date of approval

The directors approved the accounts on 7 February 1990.

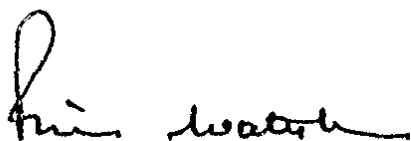
Lloyds Bank Financial Futures Limited

Report of the auditors

to the members of Lloyds Bank Financial Futures Limited

We have audited the accounts on pages 3 to 10 in accordance with Auditing Standards.

In our opinion the accounts on pages 3 to 10 give a true and fair view of the state of affairs of the Company at 31 December 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants

Southwark Towers
32 London Bridge Street
London SE1 9SY

7 February 1990