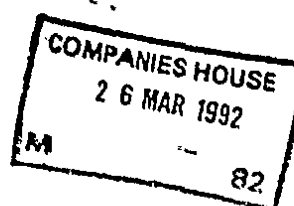


2022662

REPORT AND ACCOUNTS

1991

Lloyds Bank Financial Futures



LLOYDS BANK FINANCIAL FUTURES LIMITED
REPORT AND ACCOUNTS 1991

LLOYDS BANK FINANCIAL FUTURES LIMITED

REPORT AND ACCOUNTS 1991

Registered office

71 Lombard Street
London EC3P 3BS

Registered number

2022662

Directors

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

Secretary

F C A Maslen

LLOYDS BANK FINANCIAL FUTURES LIMITED

Report of the directors

Activities and results

The company acts as broker in the field of financial futures. It is a member of The Securities and Futures Authority Limited.

During 1991 the company has developed business into new exchanges. Further progress is likely in 1992.

The results for the year to 31 December 1991 show a profit after taxation of £435,000 (1990: £543,000) as set out in the profit and loss account on page 3. No interim dividend was paid during the year (1990: £235,000). The directors have agreed not to pay a further interim dividend (1990: final dividend of £250,000), leaving a balance of £435,000 (1990: £58,000) to be transferred to reserves.

Share capital

On 24 December 1991, 300,000 ordinary shares of £1 each were issued for cash at par, in order to provide additional working capital for the company. Subsequent to the year end, the company has obtained a subordinated loan from Lloyds Bank Plc to the value of £200,000 to provide further working capital.

Directors

The names of the present directors of the company, all of whom have been in office for the whole of the year, are shown on page 1.

Reference is made on page 8 in note 13 to the interests of the directors in the capital of Lloyds Bank Plc, the ultimate parent company, and its subsidiaries.

On behalf of the board



F C A Maslen
Secretary

6 February 1992

LLOYDS BANK FINANCIAL FUTURES LIMITED

Profit and loss account

for the year ended 31 December 1991

	Note	1991 £000	1990 £000
Interest income		2,105	2,126
Interest expense		<u>1,524</u>	<u>1,312</u>
Net interest income		581	814
Other operating income	2	<u>3,660</u>	<u>3,108</u>
Total income		4,241	3,922
Administrative expenses	3&4	<u>3,579</u>	<u>3,056</u>
Profit on ordinary activities before taxation	3	662	866
Taxation	5	<u>227</u>	<u>323</u>
Profit on ordinary activities after taxation		435	543
Dividends	6	<u>—</u>	<u>485</u>
Transfer to reserves	12	<u>435</u>	<u>58</u>

The notes on pages 5 to 9 form part of these accounts.

LLOYDS BANK FINANCIAL FUTURES LIMITED

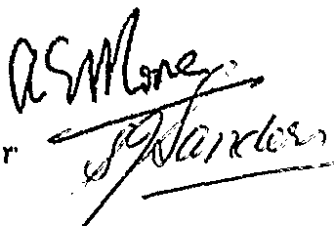
Balance sheet

at 31 December 1991

	Note	1991 £000	1990 £000
Fixed assets	7	75	77
Trade investments	8	299	113
Current assets	9	23,025	21,433
Creditors : amounts falling due within one year	10	21,121	20,080
Net current assets		<u>1,904</u>	<u>1,353</u>
Total assets less current liabilities		<u>2,278</u>	<u>1,543</u>
Capital and reserves			
Called up share capital	11	1,550	1,250
Profit and loss account	12	<u>728</u>	<u>293</u>
		<u>2,278</u>	<u>1,543</u>

A E Moore Chairman

S J Sanders Managing Director



The notes on pages 5 to 9 form part of these accounts

LLOYDS BANK FINANCIAL FUTURES LIMITED

Notes to the accounts

1. Accounting policies

The accounts are prepared under the historical cost convention, in compliance with the requirements of the Companies Act 1985 and in accordance with applicable accounting standards.

(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

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.

LLOYDS BANK FINANCIAL FUTURES LIMITED

Notes to the accounts (continued)

1. Accounting policies (continued)

(g) Pensions (continued)

Pension arrangements for staff are operated through a defined benefit scheme funded by Lloyds Bank Plc. 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 1990 and details of this valuation are given in the accounts of Lloyds Bank Plc.

(h) Source and application of funds statement

The requirements of Financial Reporting Standard 1 have been implemented and a consolidated cash flow statement will be produced by 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.

3. Profit on ordinary activities before taxation

	1991 £000	1990 £000
The profit on ordinary activities before taxation is stated after taking account of :		
Income		
Interest receivable from group undertakings	1,799	1,996
Charges		
Interest payable to group undertakings	532	358
Staff costs	1,132	1,194
Depreciation	41	35
Operating lease rentals	-	2
Auditors' remuneration	8	6
Loss on sale of fixed assets	2	5
Staff costs comprise :		
- wages and salaries	1,018	1,081
- social security costs	101	90
- pension cost	<u>13</u>	<u>23</u>
	<u>1,132</u>	<u>1,194</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.

LLOYDS BANK FINANCIAL FUTURES LIMITED

Notes to the accounts (continued)

5. Taxation	1991 £000	1990 £000
Corporation tax	<u>227</u>	<u>323</u>
The charge for taxation on the profit for the year is based on a United Kingdom corporation tax rate of 33.25% (1990: 35%).		
6. Dividends	1991	1990
Interim	-	235
Final	<u>-</u>	<u>250</u>
	<u>-</u>	<u>485</u>
7. Fixed assets		Equipment £000
Cost:		
At 1 January 1991		177
Additions		39
Disposals		<u>17</u>
At 31 December 1991		<u>199</u>
Depreciation:		
At 1 January 1991		100
Charge for year		41
Disposals		<u>17</u>
At 31 December 1991		<u>124</u>
Balance sheet amount at 31 December 1991		<u>75</u>
Balance sheet amount at 31 December 1990		<u>77</u>
8. Trade investments		
Trade investments represent unlisted shares held in LIFFE (Holdings) Plc and membership of the International Petroleum Exchange of London Limited. 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.		
9. Current assets	1991 £000	1990 £000
Short-term funds and other accounts	6,147	3,233
Balance with clearing house	9,264	7,699
Amounts owed by group undertakings	<u>7,614</u>	<u>10,501</u>
	<u>23,025</u>	<u>21,433</u>

LLOYDS BANK FINANCIAL FUTURES LIMITED

Notes to the accounts (continued)

10. Creditors: amounts falling due within one year	1991 £000	1990 £000
Corporation tax	240	323
Dividend proposed	-	250
Amounts owed to customers	13,309	12,457
Amounts owed to group undertakings	7,446	6,996
Accruals	<u>126</u>	<u>54</u>
	<u>21,121</u>	<u>20,080</u>

11. Called up share capital	1991 £000	1990 £000
Authorised: ordinary shares of £1 each	5,000	5,000
Allotted, issued and fully paid: ordinary shares of £1 each	<u>1,550</u>	<u>1,250</u>

An additional allotment of 300,000 ordinary shares of £1 each was made during the year for a consideration of £300,000. This allotment was required to provide additional working capital to comply with the requirements of LIFFE (Holdings) plc.

The ultimate parent company is Lloyds Bank Plc, which is registered in England and Wales. Copies of the group accounts of Lloyds Bank Plc may be obtained from the company secretary's office, Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

12. Profit and loss account	£000
At 1 January 1991	293
Retained profit for year	<u>435</u>
At 31 December 1991	<u>728</u>

13. Directors' interests

The interests of those who were directors of the company at 31 December 1991 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 1991	At 1 January 1991
L J D Bates	2,027	1,475
J G F Bovenizer	-	-
A R Hawkins	6,855	5,996
I T Love	4,843	4,073
B J Milne	8,613	30,087
S J Sanders	<u>6,569</u>	<u>5,664</u>

LLOYDS BANK FINANCIAL FUTURES LIMITED

Notes to the accounts (continued)

13. Directors' interests (continued)

Options to subscribe for ordinary shares of £1 each.

	At 1 January 1991	Granted during the year (exercisable between 1994 and 2001)	Exercised during the year	At 31 December 1991
L J D Bates	1,395	661	-	2,056
J F G Bovenizer	24,205	3,000	16,705	10,500
A R Hawkins	7,500	3,000	-	10,500
I T Love	7,348	4,000	-	11,348
B J Milne	45,045	10,000	12,000	43,045
S J Sanders	7,500	3,000	-	10,500

None of the 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.

14. Emoluments of directors

	1991 £000	1990 £000
Other emoluments	181	169

The Chairman received no emoluments in respect of his services to the company (1990: £ nil). The emoluments, excluding employer's pension contributions, of the highest paid director were £96,375 (1990: £88,506).

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

Emoluments £	Directors 1991	Directors 1990
0- 5,000	4	4
75,001-80,000	-	1
80,001-85,000	1	-

15. The Securities and Futures Authority Limited

The company is a member of the Securities and Futures Authority Limited.

16. Date of approval

The directors approved the accounts on 6 February 1992.

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 9 in accordance with Auditing Standards.

In our opinion the accounts on pages 3 to 9 give a true and fair view of the state of affairs of the company at 31 December 1991 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
CHARTERED ACCOUNTANTS AND REGISTERED AUDITOR

Southwark Towers
32 London Bridge Street
London SE1 9SY

6 February 1992