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REPORT AND ACCOUNTS

1993



LLOYDS BANK FUTURES LIMITED

LLOYDS BANK FUTURES LIMITED

REPORT AND ACCOUNTS 1993

Registered office

71 Lombard Street
London EC3P 3BS

Registered number

2022662

Directors

A E Moore, CBE (Chairman)

L J D Bates

A R Hawkins

I T Love

B J Milne

M R Penny

Secretary

F C A Maslen

Report of the directors

Activities and results

On 30 November 1993 an agreement was signed to transfer the business of the company to Lloyds Bank Plc at book value on that date.

The profit after taxation for the year ended 31 December 1993 was £1,398,000 (1992: £780,000) as set out in the profit and loss account on page 3. An interim dividend of £1,250,000 was paid in the year (1992: £NIL). A further interim dividend of £800,000 (1992: £NIL) is proposed, leaving a loss of £652,000 (1992: profit of £780,000) to be transferred from/to reserves.

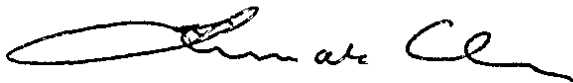
Directors

The names of the directors of the company are shown on page 1.

Mr J G F Bovenizer resigned as a director on 31 December 1993.

Reference is made on page 9 in note 14 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

24 March, 1994

LLOYDS BANK FUTURES LIMITED

Profit and loss account

for the year ended 31 December 1993

The following results for the year have all resulted from operations that are now discontinued.

	Note	1993 £000	1992 £000
Turnover	3	7,028	5,516
Administrative expenses		<u>5,720</u>	<u>5,160</u>
Operating profit		1,308	356
Interest receivable		3,116	2,978
Interest payable		<u>2,313</u>	<u>2,140</u>
Profit on ordinary activities before taxation	4	2,111	1,194
Tax on profit on ordinary activities	6	<u>713</u>	<u>414</u>
Profit on ordinary activities after taxation		1,398	780
Dividends	7	<u>2,050</u>	<u>-</u>
Retained (loss)/profit for the financial year	13	<u>(652)</u>	<u>780</u>

The company has no recognised gains or losses other than the loss for the year disclosed in the profit and loss account.

The notes on pages 5 to 10 form part of these accounts.

LLOYDS BANK FUTURES LIMITED

Balance sheet

at 31 December 1993

	Note	1993 £000	1992 £000
Fixed assets			
Tangible assets	8	-	58
Investments		<u>-</u>	<u>299</u>
		-	357
Current assets			
Debtors	9	3,206	46,828
Creditors : amounts falling due within one year	10	<u>800</u>	<u>43,927</u>
Net current assets		<u>2,406</u>	<u>2,901</u>
Total assets less current liabilities		2,406	3,258
Creditors: amounts falling due after more than one year	11	<u>-</u>	<u>200</u>
		<u>2,406</u>	<u>3,058</u>
Capital and reserves			
Called up share capital	12	1,550	1,550
Profit and loss account	13	<u>856</u>	<u>1,508</u>
		<u>2,406</u>	<u>3,058</u>

L J D Bates Director

L J D Bates

A E Moore Chairman

A E Moore

24 March, 1994

The notes on pages 5 to 10 form part of these accounts.

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.

The company is exempt 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 its ultimate parent undertaking.

The company has adopted Financial Reporting Standard 3 which prescribes a new format for the profit and loss account and requires a statement of total recognised gains and losses, a note of historical cost profits and losses and a reconciliation of movements in shareholders' funds.

(a) Interest and fee income

Both interest receivable and interest payable are included in the profit and loss account over the terms of the relevant 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) Investments

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.

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 1993 and details of this valuation are given in the accounts of Lloyds Bank Plc.

LLOYDS BANK FUTURES LIMITED
Notes to the accounts (continued)

2. Segmental analysis

In the opinion of the directors disclosure of segmental information as required by the Companies Act 1985 would be seriously prejudicial to the interests of the company and therefore has not been disclosed.

3. Turnover

Turnover of the company comprises clearing fees and dealing charges derived from the business of broking and excludes value added tax.

4. Profit on ordinary activities before taxation	1993	1992
Profit on ordinary activities before taxation is stated after charging/crediting :	£000	£000
Income		
Interest receivable from group undertakings	1,312	2,485
Non interest income from group undertakings	3,190	2,078
Charges		
Interest payable to group undertakings	654	1,098
Staff costs	1,318	1,478
Depreciation	19	41
Auditors' remuneration	6	7
Staff costs comprise :		
- wages and salaries	1,202	1,316
- social security costs	94	162
- pension costs	22	-
Note of historical cost profits and losses		
	1993	1992
	£000	£000
Profit on ordinary activities before tax	2,111	1,194
Realisation of premises revaluation surpluses (deficits) of previous years	—	—
Historical cost profit on ordinary activities before tax	<u>2,111</u>	<u>1,194</u>
Historical cost (loss)/profit for the year retained after tax and dividends	<u>(652)</u>	<u>780</u>

5. Employees

All employees have contracts of service with Lloyds Bank Plc and are made available on a full time basis to the company. The average number of employees during the year was 39 (1992: 36).

LLOYDS BANK FUTURES LIMITED

Notes to the accounts (continued)

6. Tax on profit on ordinary activities	1993	1992
	£000	£000

Corporation tax	<u>713</u>	<u>414</u>
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The charge for taxation on the profit for the year is based on a United Kingdom corporation tax rate of 33% (1992: 33%).

7. Dividends	1993	1992
	£000	£000

Interim : Paid	1,250	-
Proposed	<u>800</u>	<u>-</u>
	<u>2,050</u>	<u>-</u>

8. Fixed assets	Fixtures, fittings, and equipment £000
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Cost:

At 1 January 1993	223
Transferred to Lloyds Bank Plc	<u>(223)</u>

At 31 December 1992	<u>-</u>
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Depreciation:

At 1 January 1993	165
Charge for year	<u>19</u>
	184

Transferred to Lloyds Bank Plc	<u>(184)</u>
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At 31 December 1993	<u>-</u>
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Net book value at 31 December 1993	<u>-</u>
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Net book value at 31 December 1992	<u>58</u>
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9. Debtors	1993	1992
	£000	£000

Trade debtors	-	23,224
Amounts owed by group undertakings	<u>3,206</u>	<u>23,604</u>
	<u>3,206</u>	<u>46,828</u>

LLOYDS BANK FUTURES LIMITED

Notes to the accounts (continued)

10. Creditors: amounts falling due within one year	1993 £000	1992 £000
Trade creditors	-	27,036
Dividend Proposed	800	-
Amounts owed to group undertakings	-	16,341
Corporation tax	-	417
Accruals and deferred income	<u>-</u>	<u>133</u>
	<u>800</u>	<u>43,927</u>

11. Creditors: amounts falling due after more than one year	1993 £000	1992 £000
Subordinated loan granted by Lloyds Bank Plc	<u>-</u>	<u>200</u>

12. Called up share capital	1993 £000	1992 £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>1,550</u>	<u>1,550</u>

The Company regarded by the directors as the ultimate parent company is Lloyds Bank Plc, which is also the parent undertaking of the only group of undertakings for which group accounts are drawn up and of which the company is a member. Lloyds Bank Plc is registered in England and Wales, and copies of the group accounts may be obtained from the Company Secretary's Office, 71 Lombard Street, London EC3P 3BS.

13. Profit and loss and reconciliation of movements in shareholder's funds

	1993 £000	1992 £000
Profit and loss account at 1 January 1993	1,508	728
(Loss)/profit for the year	<u>(652)</u>	<u>780</u>
Retained profit and loss at 31 December 1993	<u>856</u>	<u>1,508</u>
Profit for the year	1,398	780
Dividends	<u>2,050</u>	<u>-</u>
Net (reduction) increase in shareholder funds	<u>(652)</u>	<u>780</u>
Shareholder's funds at beginning of year	<u>3,058</u>	<u>2,278</u>
Shareholder's funds at end of year	<u>2,406</u>	<u>3,058</u>

LLOYDS BANK FUTURES LIMITED

Notes to the accounts (continued)

14. Directors' interests

The interests of the directors of the company except those who were directors of Lloyds Bank Plc, in the capital of Lloyds Bank Plc were:

Ordinary shares of £1 each

	At 31 December 1993	At 1 January 1993
L J D Bates	1,458	2,585
A R Hawkins	4,760	6,896
I T Love	2,613	1,998
B J Milne	6,129	6,816
M R Penny	1,837	1,478

Options to subscribe for ordinary shares of £1 each.

	At 1 January 1993	Granted during the year (exercisable between 1996 and 2003)	Exercised during the year	At 31 December 1993
L J D Bates	2,827	429	-	3,256
A R Hawkins	14,500	4,000	4,500	14,000
I T Love	15,926	5,000	-	20,926
B J Milne	32,964	4,431	21,000	16,395
M R Penny	1,836	429	-	2,265

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

15. Emoluments of directors

	1993 £000	1992 £000
Total emoluments	170	212
Compensation for loss of office	<u>-</u>	<u>30</u>
	<u>170</u>	<u>242</u>

The Chairman received no emoluments in respect of his services to the company (1992: £ nil). The emoluments, excluding employer's pension contributions, of the highest paid director were £96,220 (1992: £82,767).

LLOYDS BANK FUTURES LIMITED
Notes to the accounts (continued)

15. Emoluments of directors (continued)

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

Emoluments £	Directors	
	1993	1992
0- 5,000	5	5
50,001-55,000	-	1
55,001-60,000	-	1
65,001-70,000	1	-
80,001-85,000	-	1
95,001-100,000	1	-

16. The Securities and Futures Authority Limited

The company was a member of the Securities and Futures Authority Limited as at 31 December, 1993, but has subsequently resigned its membership.

17. Date of approval

The directors approved the accounts on 24 March 1994.

LLOYDS BANK FUTURES LIMITED

AUDITORS REPORT

To the member of Lloyds Bank Futures Limited.

We have audited the financial statements set out on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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 financial statements 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.

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 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 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 the 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 as at 31 December 1993 and of the loss 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 Auditors

Southwark Towers
32 London Bridge Street
London SE1 9SY.

24 March, 1994