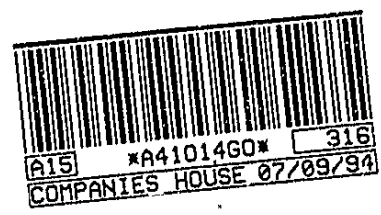


LOMBARD LEASING CONTRACTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1993

Lombard Leasing Contracts Limited is registered in England and Wales No. 2060602.  
Registered Office: Lombard House, 3 Princess Way, Redhill, Surrey, RH1 1NP.



LOMBARD LEASING CONTRACTS LIMITED

DIRECTORS

B A Carte (Chairman)  
J D Fitch  
M A Maberly  
J D Purdy

SECRETARY

M J Evans

# LOMBARD LEASING CONTRACTS LIMITED

## DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the financial statements for the year ended 31 December 1993.

### PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of credit finance by way of leasing.

### BUSINESS REVIEW

The net amount financed under all forms of financial agreements entered into during the year was £nil (1992 - £nil).

The profit on ordinary activities before taxation was £32,000 (1992 - £48,000) on which there was a taxation charge of £11,000 (1992 - £21,000). The Directors propose to pay a dividend of £100,000, (1992 - £nil) and that the balance of £(79,000) (1992 - £27,000) be dealt with as shown in the Profit and Loss Account on page 5.

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

### DIRECTORS

The present members of the Board are as shown on page 1.


### DIRECTORS' INTERESTS

All of the Directors at the year end were also Directors of the holding company Lombard North Central PLC, and were not therefore required to notify the Company of their interests in the share and loan capital of Group undertakings.

### AUDITORS

Pursuant to a shareholders' resolution, the Company is not obliged to appoint its auditors annually and KPMG Peat Marwick will, therefore, continue in office.

By Order of the Board

  
Margaret J Evans  
Secretary  
18 July 1994

## LOMBARD LEASING CONTRACTS LIMITED

### **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 of the profit or loss of the Company 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; and
- iii. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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.

**AUDITORS' REPORT TO THE MEMBERS OF**  
**LOMBARD LEASING CONTRACTS LIMITED**

We have audited the financial statements 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 financial statements. It is our responsibility to form an independent opinion based on our audit of 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 information in the financial statements.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPRG Paul Partridge*  
Chartered Accountants  
Registered Auditors

Guildford

*10 August* 1994

**LOMBARD LEASING CONTRACTS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1993**

	Note	1993 <u>£'000</u>	1992 <u>£'000</u>
Turnover	2	108	256
Operating charges		-	1
Operating Profit	3	108	257
Interest payable	4	(76)	(209)
Profit on ordinary activities before taxation		32	48
Taxation charge on profit on ordinary activities	6	(11)	(21)
Profit on ordinary activities after taxation		21	27
Proposed ordinary dividends		(100)	-
(Deficit)/Surplus for the financial year transferred (from)/to general reserve	9	(79)	27

**RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the profit attributable to shareholders of the Company of £21,000 in the year ended 31 December 1993 and of £27,000 in the year ended 31 December 1992.

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

LOMBARD LEASING CONTRACTS LIMITED

BALANCE SHEET

AT 31 DECEMBER 1993

	Note	1993 <u>£'000</u>	1992 <u>£'000</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Debtors falling due within one year	7	1,213	989
Debtors falling due after more than one year	7	-	1,081
		<u>1,213</u>	<u>2,070</u>
<b>LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	-
General reserve	9	26	105
		<u>26</u>	<u>105</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	11	375	568
<b>CREDITORS</b>	12	812	1,397
		<u>1,213</u>	<u>2,070</u>

  
Brian Addison Carte Director

Approved by the Board on 18 July 1994

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

**LOMBARD LEASING CONTRACTS 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) Finance Leases**

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

Income from finance leases is credited to the Profit and Loss Account in proportion to the funds invested.

**c) Deferred Taxation**

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

**d) Cash Flow Statements**

In accordance with the exemptions allowed under the provisions of FRS1, no Cash Flow Statement has been presented.

**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.

	1993	1992
	<u>£'000</u>	<u>£'000</u>
Aggregate rentals receivable during the year under finance leases	1,024	1,041

**3. OPERATING PROFIT**

There is no charge in this year's financial statements for auditors' remuneration as the fee is to be charged in the holding company's financial statements (1992 - £nil).



**LOMBARD LEASING CONTRACTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. INTEREST PAYABLE**

	1993	1992
	<u>£'000</u>	<u>£'000</u>
On Bank loans and overdrafts, and other loans wholly repayable within five years:		
From National Westminster Bank Group undertakings	76	209

**5. DIRECTORS' REMUNERATION AND INTERESTS**

No emoluments were paid to any Director during the year (1992 - £nil).

None of the Directors had any material interest in any contract of significance in relation to the business of the Company.

**6. TAXATION CHARGE**

	1993	1992
	<u>£'000</u>	<u>£'000</u>
UK corporation tax based on the results for the year at 33%	(204)	(129)
Transfer from deferred tax (note 11)	193	114
Adjustments in respect of prior years:		
UK corporation tax	129	48
Group relief payable *	(129)	(54)
	<u>(11)</u>	<u>(21)</u>

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

**LOMBARD LEASING CONTRACTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. DEBTORS**

	1993	1992
	<u>£'000</u>	<u>£'000</u>
Amounts falling due:		
i) Within one year		
Amounts owed by National Westminster		
Bank Group undertakings	108	-
Net investment in finance leases	1,105	989
	<hr/>	<hr/>
	1,213	989
ii) After more than one year		
Net investment in finance leases	-	1,081
	<hr/>	<hr/>
	1,213	2,070
Total debtors	<hr/> <hr/>	<hr/> <hr/>

**8. CALLED UP SHARE CAPITAL**

	1993		1992	
	<u>Authorised</u>	<u>Allotted issued and fully paid</u>	<u>Authorised</u>	<u>Allotted issued and fully paid</u>
	£	£	£	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**LOMBARD LEASING CONTRACTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. GENERAL RESERVE**

	<u>£'000</u>
Balance at 1 January 1993	105
Transfer to Profit and Loss Account	(79)
	<hr/>
Balance at 31 December 1993	26
	<hr/> <hr/>

**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1993	1992
	<u>£'000</u>	<u>£'000</u>
Profit attributable to members of the Company	21	27
Dividends	(100)	-
	<hr/>	<hr/>
Net movement in shareholders' funds	(79)	27
Opening shareholders' funds	105	78
	<hr/>	<hr/>
Closing shareholders' funds	26	105
	<hr/> <hr/>	<hr/> <hr/>

**11. DEFERRED TAXATION**

	<u>£'000</u>
Balance at 1 January 1993	568
Transfer to Profit and Loss Account (note 6)	(193)
	<hr/>
Balance at 31 December 1993	375
	<hr/> <hr/>

The above balance represents the full potential liability in respect of capital allowances.

**LOMBARD LEASING CONTRACTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12. CREDITORS**

	1993	1992
	<u>£'000</u>	<u>£'000</u>
Amounts falling due wholly within one year:		
Amounts owed to National Westminster Bank Group undertakings	320	1,079
Current corporation tax	204	129
Proposed dividend	100	-
Other creditors	188	189
	<hr/>	<hr/>
Total creditors	812	1,397
	<hr/>	<hr/>

**13. ULTIMATE HOLDING COMPANY**

The immediate holding company is Lombard North Central PLC , the ultimate holding company 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.