

LOMBARD VENTURE FINANCE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1993



Lombard Venture Finance Limited is registered in England and Wales No. 2354214
Registered Office: Lombard House, 3 Princess Way, Redhill, Surrey, RH1 1NP.

LOMBARD VENTURE FINANCE LIMITED

DIRECTORS

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

SECRETARY

M J Evans

LOMBARD VENTURE FINANCE 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 £265,326,000 (1992 - £107,699,000).

The loss on ordinary activities before taxation was £39,000 (1992 - profit £485,000) on which there was a taxation credit of £14,000 (1992 - charge £160,000). The Directors recommend that no dividend be paid (1992 - £300,000) and that the balance of £(25,000) (1992 - £25,000) be dealt with as shown in the Profit and Loss Account on page 5.

Although the Company traded at a loss during the year under review the Directors expect that it will trade profitably in future.

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 immediate parent undertaking, Lombard North Central PLC, a company which is itself required to keep a register of Directors' interests. The Directors were not therefore required to notify their interests in the shares or debentures of National Westminster Bank Plc group undertakings to the Company.

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

9 October 1994

LOMBARD VENTURE FINANCE 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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF

LOMBARD VENTURE FINANCE 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, 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 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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants
Registered Auditors

Guildford

18 October

1994

LOMBARD VENTURE FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1993

	Note	1993	1992
		<u>£'000</u>	<u>£'000</u>
Turnover	2	18,994	3,134
Operating charges		(3,579)	(603)
Operating profit	3	15,415	2,531
Interest payable	4	(15,454)	(2,046)
(Loss)/profit on ordinary activities before taxation		(39)	485
Taxation credit/(charge) on (loss)/profit on ordinary activities	6	14	(160)
(Loss)/profit on ordinary activities after taxation		(25)	325
Proposed final dividend		-	(300)
(Deficit)/surplus for the financial year transferred (from)/to general reserve	9	(25)	25

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss attributable to shareholders of the Company of £25,000 in the year ended 31 December 1993 and the profit of £325,000 in the year ended 31 December 1992.

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

LOMBARD VENTURE FINANCE LIMITED

BALANCE SHEET

AT 31 DECEMBER 1993

	Note	1993	1992
		<u>£'000</u>	<u>£'000</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Debtors falling due within one year	7	82,730	23,248
Debtors falling due after more than one year	7	212,305	75,877
		<hr/>	<hr/>
		295,035	99,125
		<hr/>	<hr/>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	8	-	-
General reserve	9	-	25
		<hr/>	<hr/>
		-	25
CREDITORS			
	12	295,035	99,100
		<hr/>	<hr/>
		295,035	99,125
		<hr/>	<hr/>

The financial statements were approved at a meeting of the Board of Directors on 4 October 1994 and were signed on their behalf by:


John Derek Fitch

Director

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

LOMBARD VENTURE FINANCE 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.

Rentals payable under finance leases are apportioned between the finance charge and the outstanding obligation so as to produce a constant rate of charge on the remaining balance.

c) Deferred Taxation

Credit for deferred tax is taken in respect of timing differences to the extent that tax relief is expected to crystallise.

2 TURNOVER

i) 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>
ii) Net amounts financed under finance leases entered into during the year	<u>265,326</u>	<u>107,699</u>
iii) Aggregate rentals receivable during the year under finance leases	<u>78,671</u>	<u>9,230</u>

LOMBARD VENTURE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 financial statements of the immediate parent undertaking (1992 - £nil).

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 Plc group undertakings	1,852	1,319
Other	5	-
Finance charges in respect of finance leases	13,797	727
	<u>15,454</u>	<u>2,046</u>

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 CREDIT/(CHARGE) ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	1993	1992
	<u>£'000</u>	<u>£'000</u>
UK corporation tax based on the results for the year at 33%	-	(503)
Group relief receivable *	51	-
Transfer (from)/ to deferred tax (note 11)	(34)	343
Adjustments in respect of prior years:		
UK corporation tax	503	97
Group relief payable *	(506)	(97)
	<u>14</u>	<u>(160)</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.

LOMBARD VENTURE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 DEBTORS

	1993	1992
	<u>£'000</u>	<u>£'000</u>
Amounts falling due:		
i) Within one year		
Trade debtors	456	143
Amounts owed by National Westminster Bank Plc group undertakings	3,035	1,587
Net investment in finance leases	78,930	21,175
Deferred tax (note 11)	309	343
	<hr/>	<hr/>
	82,730	23,248
	<hr/>	<hr/>
ii) After more than one year		
Net investment in finance leases	212,305	75,877
	<hr/>	<hr/>
Total debtors	<u>295,035</u>	<u>99,125</u>

8 CALLED UP SHARE CAPITAL

	1993		1992	
	Authorised £	Allotted issued and fully paid £	Authorised £	Allotted issued and fully paid £
Ordinary shares of £1 each	<u>1,000</u>	<u>100</u>	<u>1,000</u>	<u>100</u>

LOMBARD VENTURE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 GENERAL RESERVE

	<u>£'000</u>
Balance at 1 January 1993	25
Transfer to Profit and Loss Account	(25)
	<hr/>
Balance at 31 December 1993	-
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10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1993	1992
	<u>£'000</u>	<u>£'000</u>
(Loss)/profit attributable to members of the Company	(25)	325
Dividends	-	(300)
	<hr/>	<hr/>
Net movement in shareholders' funds	(25)	25
Opening shareholders' funds	25	-
	<hr/>	<hr/>
Closing shareholders' funds	-	25
	<hr/> <hr/>	<hr/> <hr/>

11 DEFERRED TAXATION

	<u>£'000</u>
Balance at 1 January 1993	343
Transfer to Profit and Loss Account (note 8)	(34)
	<hr/>
Balance at 31 December 1993	309
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There is no unprovided liability for deferred tax. Deferred tax has been included as an asset in respect of capital allowances to the extent that tax relief is expected to crystallise in the future.

LOMBARD VENTURE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 CREDITORS	1993	1992
Amounts falling due:	<u>£'000</u>	<u>£'000</u>
i) Wholly within one year		
Trade creditors	2,002	126
Amounts owed to National Westminster Bank Plc group undertakings	76	-
Current corporation tax	-	503
Other taxes	1,066	2,059
Proposed dividend	300	300
	<hr/>	<hr/>
	3,444	2,988
	<hr/>	<hr/>
ii) Not wholly within one year		
Net obligations under finance leases due:		
Within one year	94,821	27,363
Between one and five years	191,371	88,749
In more than five years	5,599	-
	<hr/>	<hr/>
	291,591	96,112
	<hr/>	<hr/>
Total creditors	<u>295,035</u>	<u>99,100</u>

13 ULTIMATE HOLDING COMPANY

The immediate parent undertaking 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.