

2691627

LLOYDS BANK INSURANCE SERVICES (DIRECT) LIMITED

REPORT AND ACCOUNTS 1996

Report of the Directors

Results and Dividends

The profit after tax for the year was £3,350 (1995 : £3,350) which was fully retained and transferred to reserves. No dividends have been declared in the year. No final dividend is proposed.

Principal Activity and Review of Business

The Company provides a telemarketing service for Lloyds Bank Insurance Services Limited, the immediate holding company.

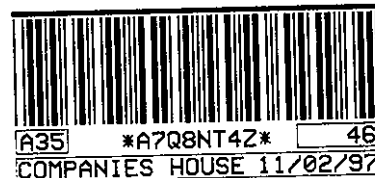
All management and administration is provided by Lloyds Bank Insurance Services Limited, for which it invoices the Company.

Directors

The directors during the year were:

S A Maran CA (Chairman)
C J Sampson FCII (Managing Director)


The interests of the Directors of the Company, other than those of Mr S A Maran, in the share capital of Lloyds TSB Group plc are disclosed in the accounts of the holding company, Lloyds Bank Insurance Services Limited. Mr S A Maran's interests in the share capital of Lloyds TSB Group plc are disclosed in the accounts of Lloyds Abbey Life plc.



Auditors

Price Waterhouse will continue to be the Company's auditors. The Company has, as permitted by the Companies Act, dispensed with the obligation to appoint auditors annually.

By Order of the Board


R G Tasker LLB FCII FCIS
Secretary

29 January 1997

Registered Office

7 Perrymount Road
Haywards Heath
West Sussex
RH16 3YE

Registered Number : 2691627

LLOYDS BANK INSURANCE SERVICES (DIRECT) LIMITED

Profit and Loss Account

for the year ended 31 December 1996

	Note	1996 £	1995 £
Turnover	1, 2	<u>6,817,573</u>	<u>5,529,648</u>
Operating Expenses			
Staff Costs		1,807,193	1,568,695
Premises and equipment costs		809,854	1,330,460
Other costs		<u>4,195,526</u>	<u>2,625,493</u>
		<u>6,812,573</u>	<u>5,524,648</u>
Profit on Ordinary Activities before Taxation	3	5,000	5,000
Taxation on profit on ordinary activities	4	<u>1,650</u>	<u>1,650</u>
Profit Retained for the Year	7	3,350	3,350
Profit brought forward		<u>12,763</u>	<u>9,413</u>
Profit carried forward		<u>16,113</u>	<u>12,763</u>

The results for the year are wholly attributable to continuing operations. There are no recognised gains and losses other than those set out above. A reconciliation of movements in shareholders' funds is given on page 6 in Note 7 to the financial statements.

The notes on pages 5 to 7 form part of these accounts.

LLOYDS BANK INSURANCE SERVICES (DIRECT) LIMITED

Balance Sheet

as at 31 December 1996

	Note	1996	1995
		£	£
Current Assets			
Debtors : Amount owed by immediate parent undertaking		17,765	14,415
Creditors: amounts falling due within one year	5	<u>1,650</u>	<u>1,650</u>
Net Assets		<u>16,115</u>	<u>12,765</u>
Capital and Reserves			
Called up Share Capital	6	2	2
Profit and Loss Account		<u>16,113</u>	<u>12,763</u>
Shareholders' Funds	7	<u>16,115</u>	<u>12,765</u>



C J Sampson
Managing Director

29 January 1997

The notes on pages 5 to 7 form part of these accounts.

LLOYDS BANK INSURANCE SERVICES (DIRECT) LIMITED

Notes to the Accounts

31 December 1996

1 Accounting Policies

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

The Company is exempted from producing a cashflow statement since a consolidated cashflow statement prepared in accordance with the requirements of the Financial Reporting Standard 1 is included in the accounts of its parent undertaking, Lloyds TSB Group plc.

Turnover comprises fees for the provision of marketing services to its immediate parent undertaking.

2 Turnover

The Company's turnover, which the Directors consider is derived from one class of business, originates entirely in the UK.

3 Profit on Ordinary Activities before Taxation

Profit before taxation is stated after charging:

	1996 £	1995 £
Staff Costs:		
Wages and Salaries	1,475,501	1,249,924
Social Security Costs	134,579	112,075
Pension Costs	34,472	45,054
Other Staff Costs	162,641	161,642
Auditors' Remuneration	1,000	1,000

No Director received any emoluments in respect of his services to the Company, (1995: nil).

The average number of persons employed by the Company during the year was 109 (1995 : 89).

4 Taxation

	1996 £	1995 £
Corporation Tax	<u>1,650</u>	<u>1,650</u>

Taxation on profit for the year is based on a United Kingdom corporation tax rate of 33%.

5 Creditors: Amounts falling due within one year

	1996 £	1995 £
Corporation Tax	<u>1,650</u>	<u>1,650</u>

6 Called Up Share Capital

	1996 £	1995 £
Authorised: 100 shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid: 2 shares of £1 each	<u>2</u>	<u>2</u>

7 Reconciliation of Movements in Shareholders' Funds

	1996 £	1995 £
Profit retained for the year	3,350	3,350
Opening Shareholders' Funds	<u>12,765</u>	<u>9,415</u>
Closing Shareholders' Funds	<u>16,115</u>	<u>12,765</u>

8 Group Accounts

The company regarded by the Directors as the ultimate parent company is Lloyds TSB Group plc, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Lloyds Abbey Life plc is the parent undertaking of the smallest such group of undertakings. Lloyds TSB Group plc is registered in Scotland and Lloyds Abbey Life plc in England & Wales. Copies of the accounts may be obtained from the group's head office, 71 Lombard Street, London, EC3P 3BS.

9 Holding Company

The Company is a wholly owned subsidiary of Lloyds Bank Insurance Services Limited, incorporated in Great Britain and registered in England and Wales. The Company's ultimate parent company is Lloyds TSB Group plc, a company incorporated in Great Britain and registered in Scotland.

10 Approval of Accounts

These accounts were approved by the Board of Directors on 29 January 1997.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the year and the profit or loss for the year. They consider that in preparing the financial statements on pages 3 to 7, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider applicable have been followed and the going concern basis is appropriate.

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 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.

AUDITORS' REPORT

to the Shareholders of Lloyds Bank Insurance Services (Direct) Limited

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out in Note 1.

Respective responsibilities of directors and auditors

As described on page 8, 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
and Registered Auditors

29 January 1997

Southwark Towers
32 London Bridge Street
London SE1 9SY.