

# **LOMBARD CONTRACT HIRE (2) LIMITED**

(formerly Pearledge Limited)

**Directors' Report and Financial Statements**

30 June 1995

Registered Number 2953302

**Registered Office:**  
Lex House  
17 Connaught Place  
LONDON  
W2 2EL



# Lombard Contract Hire (2) Limited

## Directors' Report and Financial Statements

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# **Lombard Contract Hire (2) Limited**

## **Directors**

D. A. Galloway (Chairman)	(Appointed 1 March 1995)
J. D. Cartwright	(Appointed 1 March 1995)
P. Harris	(Appointed 16 December 1994 - resigned 1 March 1995)
M.L. Young	(Appointed 3 August 1994 - resigned 1 March 1995)
C.B.A. Cormick	(Appointed 3 August 1994 - resigned 16 December 1994)
Hallmark Registrars Limited	(Appointed 27 July 1994 - resigned 3 August 1994)

## **Secretary**

M. L. Young

# **Lombard Contract Hire (2) Limited**

## **Directors' Report**

The directors present their report and the audited financial statements from 27 July 1994 to 30 June 1995.

### **Principal Activities**

The principal activity of the company is vehicle leasing.

### **Business Review**

The company was incorporated as Pearledge Limited on 27 July 1994 and subsequently changed its name to Lombard Contract Hire (2) Limited and commenced trading on 1 March 1995. The results presented in these financial statements represent the first period's trading.

The profit of the company on ordinary activities before taxation for the period ended 30 June 1995 was £1,700. The taxation charge for the period was £476.

The profit of the company after taxation for the period amounted to £1,224 and is included in the movement in shareholders' funds shown in note 11.

The directors do not recommend the payment of a dividend.

### **Changes in Fixed Assets**

The changes in tangible fixed assets are summarised in note 7 to the financial statements.

### **Directors**

The directors who held office during the period are shown on page 1.

### **Directors' Interests**

D. A. Galloway is a director of the parent undertaking, Lex Vehicle Leasing (Holdings) Limited, and his interests in shares and debentures of group undertakings are included in the parent undertaking accounts. The remaining directors have no interests to declare.

### **Directors' and Officers' Insurance**

The directors and officers of Lombard Contract Hire (2) Limited are indemnified under the Lex Service PLC Worldwide Directors and Officers Liability Insurance Cover.

# Lombard Contract Hire (2) Limited

## Directors' Report *(continued)*

### Auditors

KPMG were appointed auditors on 1 March 1995. In accordance with Section 385 of the Companies Act 1985 a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'M. L. Young', with a stylized flourish at the end.

M. L. Young  
Secretary

2 February 1996

# Lombard Contract Hire (2) Limited

## Statement of Directors' Responsibilities

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 or loss 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; and
- 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 to the Members of Lombard Contract Hire (2) Limited

We have audited the financial statements on pages 6 to 13.

### Respective responsibilities of directors and auditors

As described on page 4 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 mis-statement, 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 affairs of the company as at the 30 June 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Vine

KPMG  
Chartered Accountants  
Registered Auditors  
Manchester

2 February 1996

# LOMBARD CONTRACT HIRE (2) LIMITED

## Profit and Loss Account for the period ended 30 June 1995

	Note	1995 (from 27 July 1994 to 30 June 1995) Continuing Operations £
Turnover	1	12,760
Depreciation and other amounts written off tangible fixed assets	1,7	(6,517)
Other operating charges		(1,481)
		<hr/>
Operating profit	4	4,762
Interest payable	5	(3,062)
		<hr/>
Profit on ordinary activities before taxation		1,700
Taxation on ordinary activities	6	(476)
		<hr/>
Retained profit for the period for equity shareholders	10	1,224
		<hr/>

A statement of movements on reserves is given in note 10.

A statement of recognised gains and losses has not been prepared as all recognised gains and losses are included in the above profit and loss account.

The notes on pages 8 to 13 form part of these financial statements.



# LOMBARD CONTRACT HIRE (2) LIMITED

## Balance Sheet

at 30 June 1995

	Note	1995 £
<b>Assets</b>		
<b>Fixed assets</b>		
Tangible assets	7	174,439
<b>Current assets</b>		
Debtors: due within one year	8	23,607
		<hr/>
		198,046
		<hr/>
<b>Liabilities</b>		
<b>Capital and reserves</b>		
Called up share capital	9	2
Profit and loss account	10	1,224
		<hr/>
		1,226
<b>Provision for liabilities and charges</b>	12	386
<b>Creditors: amounts falling due within one year</b>	13	196,434
		<hr/>
		198,046
		<hr/>

These financial statements were approved by the board of directors on 2 February 1996 and were signed on its behalf by:

D. A. Galloway  
Director



All of the above share capital relates to equity funds.

The notes on pages 8 to 13 form part of these financial statements.

# LOMBARD CONTRACT HIRE (2) LIMITED

## Notes

*(forming part of the financial statements)*

### 1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Turnover*

Turnover is the invoiced value of rentals due for the year, arising from operating leases with outside customers. The company operates in only one geographical and business segment and therefore a segmental report has not been prepared.

#### *Depreciation*

Depreciation of assets held for operating leases is provided on a straight line basis over the estimated useful lives of the vehicles, to their residual values. The estimated useful lives of the vehicles are generally 2-3 years.

#### *Income*

Net income on operating leases after charging interest, depreciation, maintenance and other costs, is credited to the profit and loss account to give a constant periodic rate of return on the operating lease asset over the period of the contract.

#### *Deferred taxation*

Deferred taxation is provided on the liability method on timing differences, but only where it is expected that a taxation liability may arise in the foreseeable future.

#### *Cashflow*

The company is exempt from the requirement to include a cashflow statement as it is a wholly owned subsidiary of Lex Vehicle Leasing (Holdings) Limited which is established under the law of a member state of the European Community and publishes a consolidated cashflow statement for the group.

# LOMBARD CONTRACT HIRE (2) LIMITED

## Notes (continued)

### 2. Staff numbers and costs

All personnel are employed by Lex Service PLC for whose services a management charge is made to the Lex Vehicle Leasing Group.

### 3. Remuneration of directors

No emoluments were paid to any director during the year. None of the directors had any material interest in any contract in relation to the business of the Lex Vehicle Leasing Group.

### 4. Operating Profit

Operating profit is stated after charging.

	1995 £
Depreciation.	<u>6,517</u>

The company has not made any payment in respect of the audit for the period under review as the costs of the statutory audit are included within the management fee paid to a fellow subsidiary undertaking.

### 5. Interest Payable

All interest is payable to the parent undertaking.

### 6. Taxation

	1995 £
UK Corporation tax based on the results for the period at 33%	90
Deferred tax (Note 12)	386
	<u>476</u>

# LOMBARD CONTRACT HIRE (2) LIMITED

## Notes (continued)

### 7. Tangible Fixed Assets

	Assets held for operating leases £
<i>Cost</i>	
At 1 March 1995	-
Additions	180,956
	<hr/>
At 30 June 1995	180,956
	<hr/>
<i>Depreciation</i>	
At 1 March 1995	-
Charge for period	6,517
	<hr/>
At 30 June 1995	6,517
	<hr/>
<i>Net book value</i>	
At 30 June 1995	174,439
	<hr/>

There were no capital commitments at 30 June 1995.

# LOMBARD CONTRACT HIRE (2) LIMITED

## Notes (Continued)

### 8. Debtors: due within one year

	1995 £
Amounts owed by fellow subsidiary undertakings	22,594
Prepayments and accrued income	1,013
	<hr/>
	23,607
	<hr/>

### 9. Called up share capital

	1995 £
Authorised Ordinary shares of £1 each	1,000
	<hr/>
Allotted, called up and fully paid Ordinary shares of £1 each	2
	<hr/>

### 10. Profit and Loss Account

	1995 £
Retained profit at 1 March 1995	-
Profit for the period	1,224
	<hr/>
Retained profit at 30 June 1995	1,224
	<hr/>

# LOMBARD CONTRACT HIRE (2) LIMITED

## Notes (continued)

### 11. Reconciliation of movements in shareholders' funds

	1995 £
Profit attributable to the company	1,224
Issue of shares	2
	<hr/>
Net increase in shareholders' funds	1,226
Opening shareholders' funds	<hr/>
Closing shareholders' funds	1,226
	<hr/>

### 12. Provision for liabilities and charges

The following provision has been made for deferred tax in respect of accelerated capital allowances.

	£
Balance at 1 March 1995	-
Transfer from profit and loss account (Note 6)	386
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Balance at 31 December 1995	386
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The amounts of unprovided deferred taxation in respect of accelerated capital allowances are as follows.

	£
At 31 December 1995	160
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# LOMBARD CONTRACT HIRE (2) LIMITED

## Notes (continued)

### 13. Creditors: due within one year

	1995 £
Amounts owed to immediate parent undertaking	186,540
Amounts owed to fellow subsidiary undertakings	2,286
Accruals and deferred income	7,518
Corporation Tax	90
	<hr/>
	196,434
	<hr/>

### 14. Parent undertaking

The immediate parent undertaking is Lex Vehicle Leasing (Holdings) Limited, the ultimate parent undertaking being National Westminster Bank Plc: both are registered in England and Wales.

Copies of the financial statements of Lex Vehicle Leasing (Holdings) Limited can be obtained from The Secretary, Lex Vehicle Leasing (Holdings) Limited, Lex House, 17 Connaught Place, London, W2 2EL.

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.