



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 1984**

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LOMBARD & ULSTER LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and financial statements for the year ended 30th September 1984.

PRINCIPAL ACTIVITIES

The group's principal activities throughout the year have been the acceptance of deposits and the provision of banking services, instalment credit, hire purchase and block discounting facilities.

RESULTS

The profit on ordinary activities before taxation and extraordinary credit was £2,603,261 (1983 - £2,052,745) on which there was a taxation charge of £1,175,651 (1983 - £1,065,099), a minority interest of £113,806 (1983 £54,663) and an extraordinary credit of £61,994 (1983 - Nil). The directors recommend the payment of an interim dividend of £337,455 (1983 - £201,600).

DIRECTORS

The following directors held office during the year:

R.D. Rolston	- Chairman
H.S.E. Catherwood	
V. Chambers	- Appointed 14th February 1984
C.F.S. Gibney	
A.J. Gordon	
R.W. Hamilton	
A.E. Keeler	
M.J. Meagher	- Resigned 2nd December 1983
G.J. Simms	
R.P. Smith	
K.R. Wall	

Mr. R.D. Rolston, Mr. R.W. Hamilton and Mr. A.J. Gordon retire by rotation. Being eligible, all offer themselves for re-election.

REPORT OF THE DIRECTORS (continued)

EMPLOYEES

The average number of U.K. employees of the Group in the year to 30th September 1984 was 147 and their aggregate remuneration for the year was £1,381,935.

DONATIONS

The group made donations aggregating £1,030 to U.K. charitable organisations during the year. No political contributions were made.

AUDITORS

A resolution for the re-appointment of Deloitte Haskins & Sells as auditors of the company is to be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



T.A. BUNCE

Secretary

Belfast
27th November 1984

REPORT OF THE AUDITORS
TO THE MEMBERS OF LOMBARD & ULSTER LIMITED

We have audited the financial statements on pages 5 to 16 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30th September 1984 and of the profit and source and application of funds of the group for the year then ended, and comply with the Companies Acts (Northern Ireland) 1960 to 1982.

The financial statements do not contain the current cost accounts required by Statement of Standard Accounting Practice Number 16.



DELOITTE HASKINS & SELLS
Chartered Accountants

Belfast
27th November 1984

LOMBARD & ULSTER LIMITED
AND ITS SUBSIDIARY COMPANY

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30th SEPTEMBER 1984

	<u>Notes</u>	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
GROUP OPERATING PROFIT	3	2,603,261	2,052,745
TAXATION	6	1,175,651	1,065,099
GROUP PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY CREDIT	7	1,427,610	987,646
MINORITY SHAREHOLDERS' INTEREST IN SUBSIDIARY COMPANY		113,806	54,663
GROUP PROFIT AFTER TAXATION AND MINORITY SHAREHOLDERS' INTERESTS		1,313,804	932,983
EXTRAORDINARY CREDIT	10(ii)	61,994	-
		1,375,798	932,983
PROPOSED INTERIM DIVIDEND		337,455	201,600
GROUP PROFIT TRANSFERRED TO RESERVES	9	£1,038,343	£731,383
		=====	=====

**LOMBARD & ULSTER LIMITED
AND ITS SUBSIDIARY COMPANY**

CONSOLIDATED BALANCE SHEET 30th SEPTEMBER 1984

	<u>Notes</u>	<u>1984</u> £	<u>1983</u> £
CAPITAL RESOURCES			
Share capital	8	4,000,000	4,000,000
Reserves	9	4,113,698	3,075,355
Shareholders' funds		8,113,698	7,075,355
Minority shareholders' interest in subsidiary company		407,921	294,115
		8,521,619	7,369,470
LIABILITIES			
Deposit and current accounts		73,656,695	57,018,565
Creditors		1,877,982	1,190,742
Balance due to National Westminster Group companies	12	48,913,811	27,725,835
Deferred taxation	10	376,582	499,878
	11	124,825,070	86,435,020
		£133,346,689	£93,804,490
		=====	=====
ASSETS			
Money at call and short notice		1,250,000	3,500,000
Instalment Debtors less deferred charges £11,325,374 (1983 - £8,107,855)		68,656,688	48,283,288
Loans and advances less provisions		36,787,634	26,431,605
Debtors		539,744	716,285
Deposit with Bank of England		209,000	149,000
Government stock (market value £3,590,910)		3,000,000	3,000,000
Balances due from National Westminster group companies		21,211,758	10,147,903
Plant and machinery subject to leasing agreements	13	1,233,149	1,180,549
Fixed assets	15	458,716	395,860
		£133,346,689	£93,804,490
		=====	=====

The financial statements on pages 5 to 16 were approved by the Board of Directors on 27th November 1984 and signed on its behalf by:

R.D. ROLSTON

V. CHAMBERS

C.F.S. GIBNEY
Directors

[Signatures]
R.D. Rolston
V. Chambers
C.F.S. Gibney

LOMBARD & ULSTER LIMITED

BALANCE SHEET 30th SEPTEMBER 1984

	<u>Notes</u>	<u>1984</u> £	<u>1983</u> £
<u>CAPITAL RESOURCES</u>			
Share capital	8	4,000,000	4,000,000
Reserves	9	3,026,690	2,312,257
Shareholders' funds		<u>7,026,690</u>	<u>6,312,257</u>
<u>LIABILITIES</u>			
Deposit and current accounts		73,656,695	57,018,565
Creditors		1,488,705	956,858
Balances due to National Westminster Group companies	12	48,003,854	26,576,624
	11	<u>123,149,254</u>	<u>84,552,047</u>
		£130,175,944	£90,864,304
<u>ASSETS</u>			
Money at call and short notice		1,250,000	3,500,000
Instalment debtors less deferred charges £7,615,309 (1983 - £5,023,728) and provisions		38,293,329	24,755,481
Loans and advances less provisions		35,901,876	25,273,818
Debtors		452,753	611,972
Deposit with Bank of England		209,000	149,000
Government stock (market value £3,590,910)		3,000,000	3,000,000
Balance due from National Westminster group companies		21,211,758	10,147,903
Interest in subsidiary company	14	29,480,718	23,064,130
Plant and machinery subject to leasing agreements		-	51,573
Fixed assets	15	<u>376,510</u>	<u>310,427</u>
		£130,175,944	£90,864,304

The financial statements on pages 5 to 16 were approved by the Board of Directors on 27th November 1984 and signed on its behalf by:

R.D. ROLSTON

V. CHAMBERS

C.F.S. GIBNEY

Directors

LOMBARD & ULSTER LIMITED
AND ITS SUBSIDIARY COMPANY

STATEMENT OF GROUP SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30th SEPTEMBER 1984

	1984 £	1983 £
SOURCE OF FUNDS		
Group profit before taxation and extraordinary item less minority interest	2,489,455	1,998,082
Items not involving the movement of funds:		
Depreciation	728,706	605,195
Extraordinary item	61,994	-
Minority interest	113,806	54,663
Profit on sale of fixed and leased assets	(37,879)	(14,613)
	<u>3,356,082</u>	<u>2,643,327</u>
FUNDS FROM OTHER SOURCES		
Disposal of fixed and leased assets	<u>122,036</u>	<u>79,409</u>
APPLICATION OF FUNDS		
Dividend	337,455	201,600
Taxation	972,922	958,300
Additions to fixed assets	239,069	161,010
Additions to leased assets	753,221	788,021
	<u>2,302,667</u>	<u>2,108,931</u>
	<u>£1,175,451</u>	<u>£1,603,805</u>
	=====	=====
REPRESENTED BY MOVEMENTS IN:		
Loans and other banking assets	28,486,184	15,736,184
Balances due to National Westminster group companies	(10,188,092)	(32,378,441)
	<u>18,298,092</u>	<u>16,642,257</u>
Deposit and other accounts	<u>(17,122,641)</u>	<u>17,256,062</u>
	<u>£1,175,451</u>	<u>£1,613,805</u>
	=====	=====

LOMBARD & ULSTER LIMITED
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 1984

1. ACCOUNTING POLICIES

(a) ACCOUNTING REQUIREMENTS

"Neither the Group nor the Holding Company is required to comply with the accounting and disclosure provisions of Part 1 of the Companies (Northern Ireland) Order 1982. The Group financial statements are drawn up in accordance with Section 146A of, and Schedule 6A to, the Companies Act 1960. The Holding Company's financial statements are drawn up in accordance with Section 143A of and Schedule 6A to the Companies Act (Northern Ireland) 1960".

(b) ACCOUNTING CONVENTION

The group prepares its financial statements on the historical cost basis of accounting.

(c) DEFERRED CHARGES

Charges on instalment credit agreements have been apportioned over the period in which the repayments are due in proportion to the monthly balances outstanding.

(d) DEPRECIATION AND AMORTISATION

Expenditure on leasehold properties is amortised in equal annual instalments over the unexpired period of the lease.

Leased assets are depreciated on a straight line basis, after deducting capital grants and the re-sale value, if any, over the primary period of the agreement.

Freehold buildings, motor cars and office equipment are depreciated on a straight line basis over the estimated useful working life of the assets using the following rates:

Freehold buildings	2% per annum
Motor cars	25% per annum
Office equipment	10% - 20% per annum

(e) DEFERRED TAXATION

The group provides deferred taxation on the liability method to take account of timing differences between the treatment of certain items for taxation and accounting purposes, except to the extent that a liability may not arise in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(f) INVESTMENTS

Income from investments includes amortisation of discount on dated stock on a straight line basis from the date of purchase to maturity.

2. TURNOVER

The turnover of the Group attributable to the business of banking is not required to be disclosed; other turnover was as follows:

	<u>1984</u>	<u>1983</u>
Amounts financed under all forms of financial agreements entered into during the year		
United Kingdom	£72,386,403 =====	£57,372,130 =====

3. GROUP OPERATING PROFIT

	<u>1984</u> £	<u>1983</u> £
The group operating profit is stated after charging/(crediting):		
(a) Deposit and other short term interest payable within 5 years	8,953,718	7,414,010
(b) Depreciation on fixed and leased assets	728,706	605,195
(c) Auditors' remuneration	19,200	19,350
(d) Listed investment income	(426,944)	(426,944)
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. EMOLUMENTS OF DIRECTORS OF THE COMPANY

Directors' emoluments for the year (inclusive of pension contributions) amounted to £140,370 (1983 - £114,214) of which £12,113 (1983 - £1,850) was in respect of fees. The emoluments of the Chairman were £3,000 (1983 - £1,500) and the emoluments of the highest paid director were £31,676 (1983 - £29,076). The number of other directors whose emoluments (exclusive of pension contributions) were within the following ranges was:

	<u>1984</u>	<u>1983</u>
£0 - £5,000	6	5
£15,001 - £20,000	-	1
£20,001 - £25,000	1	2
£25,001 - £30,000	2	-

5. DIRECTORS LOANS

Loans to directors of the company and connected persons made or subsisting during the year were:

	<u>30th September 1984</u>	<u>1st October 1983</u>	<u>Maximum due on each loan at any time in year</u>
	<u>£</u>	<u>£</u>	<u>£</u>
C.F.S. Gibney	15,460	12,411	15,505
A.J. Gordon	41,408	33,390	41,925
G.J. Simms	22,362	19,743	23,042
R.P. Smith	36,318	43,222	43,222

Interest payable on above loans was at rates up to 14%.

6. TAXATION

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Corporation tax at 47.5% (1983 - 52%) based on the year's results:		
Payments for group relief in respect of losses surrendered by group companies	918,429	824,289
Current	318,524	118,072
Deferred	(61,302)	122,738
	<u>£1,175,651</u>	<u>£1,065,099</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. GROUP RESULTS DEALT WITH IN THE FINANCIAL STATEMENTS OF THE COMPANY

Profits amounting to £1,051,888 (1983 - £777,979) of the Group results after taxation and before extraordinary credit have been dealt with in the financial statements of the company.

8. SHARE CAPITAL

	<u>1984</u>	<u>1983</u>
Ordinary shares of £1 each		
Authorised	£6,000,000	£6,000,000
	=====	=====
Allotted, issued and fully paid	£4,000,000	£4,000,000
	=====	=====

9. RESERVES

	THE GROUP		THE COMPANY	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Balances at 1st October 1983	3,075,355	2,342,530	2,312,257	1,735,878
Consolidating adjustment	-	1,442		
Profit retained for the year	1,038,343	731,383	714,433	576,379
	<u>£4,113,698</u>	<u>£3,075,355</u>	<u>£3,026,690</u>	<u>£2,312,257</u>
	=====	=====	=====	=====

10. DEFERRED TAXATION

- (i) Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, are as follows:

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Tax effect of timing differences arising on:		
Excess of tax allowances on fixed assets over depreciation at 40% (1983; 52%)	440,982	595,623
Other at 35% (1983; 52%)	(64,400)	(95,745)
	<u>£376,582</u>	<u>£499,878</u>
	=====	=====

The above represents the full potential liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)

- (ii) The movements on the provision for deferred taxation are as follows:

Provision at 1st October 1983	£ 499,878
Release as a result of change in tax rate (Extraordinary item)	61,994
	<hr/> 437,884
Transfer to profit and loss account	61,302
	<hr/> £376,582
	=====

11. LIABILITIES

	<u>Group</u> £	<u>1984</u> Company £	<u>Group</u> £	<u>1983</u> Company £
Bank loans and overdrafts repayable within one year	1,462,271	909,957	1,623,557	474,346
Other borrowings repayable				
Within one year	121,003,224	120,574,828	82,103,848	81,988,036
Between one and two years	445,207	445,207	731,055	731,055
Between two and five years	431,807	431,807	707,010	707,010
In five years or more	450,000	450,000	450,000	450,000
	<hr/> 123,792,509	<hr/> 122,811,799	<hr/> 85,615,470	<hr/> 84,350,447
Total borrowings:				
Deferred taxation	376,582	-	499,878	
Current taxation	318,524	-	118,072	
Proposed dividend	337,455	337,455	201,600	201,600
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	£124,825,070	£123,149,254	£86,435,020	£84,552,047
	=====	=====	=====	=====

12. BALANCES DUE TO NATIONAL WESTMINSTER GROUP COMPANIES

Included in the balances due to National Westminster Group Companies are deposits amounting to £45,450,000 (1983 - £22,700,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. PLANT AND MACHINERY SUBJECT
TO LEASING AGREEMENTS

	<u>1984</u> £	<u>1983</u> £
Cost at 1st October 1983 net of capital grants	2,450,858	1,724,521
Additions	753,221	788,021
Disposals	(218,352)	(61,684)
	<hr/>	<hr/>
Cost at 30th September 1984	2,985,727	2,450,858
Accumulated depreciation	1,752,578	1,270,309
	<hr/>	<hr/>
	£1,233,149	£1,180,549
	=====	=====

14. INTEREST IN SUBSIDIARY COMPANY

The subsidiary company is:

	<u>Incorporated and operating in</u>	<u>Interest</u>
JCB Credit Limited	Gt. Britain	74%
	<u>1984</u> £	<u>1983</u> £
Shares in subsidiary at cost	74,000	74,000
Advances to subsidiary	29,406,718	22,990,130
	<hr/>	<hr/>
	£29,480,718	£23,064,130
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. FIXED ASSETS

THE GROUP	Freehold property £	*Alterations to leasehold properties £	Motor cars and office equipment £	Total £
Cost at 1st October 1983	81,621	59,535	511,164	652,320
Additions	-	-	239,069	239,069
Disposals	-	-	(153,426)	(153,426)
Cost at 30th September 1984	81,621	59,535	596,807	737,963
Accumulated depreciation	5,286	37,672	236,289	279,247
Net book value 30th September 1984	£76,335	£21,863	£360,518	£458,716
	=====	=====	=====	=====
Net book value 30th September 1983	£77,382	£24,698	£293,780	£395,860
	=====	=====	=====	=====
THE COMPANY				
Cost at 1st October 1983	81,621	59,535	391,220	532,376
Additions	-	-	187,860	187,860
Disposals	-	-	(99,670)	(99,670)
Cost at 30th September 1984	81,621	59,535	479,410	620,566
Accumulated depreciation	5,286	37,672	201,098	244,056
Net book value 30th September 1984	£76,335	£21,863	£278,312	£376,510
	=====	=====	=====	=====
Net book value 30th September 1983	£77,382	£24,698	£208,347	£310,427
	=====	=====	=====	=====

*Leases of less than 50 years.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. ACCEPTANCES, ENDORSEMENTS AND OTHER ENGAGEMENTS

THE COMPANY

Acceptances, endorsements and other engagements entered into on behalf of customers and in respect of which there are corresponding obligations by customers, are not included in the balance sheet. These amount to £1,872,515 (1983 - £1,601,170).

17. ULTIMATE HOLDING COMPANY

The ultimate holding company is National Westminster Bank PLC, a company incorporated in Great Britain. The company's immediate holding company is Ulster Bank Limited.