

LOMBARD & ULSTER LIMITED



00458102

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 1983

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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 1983, which were approved on 29th November 1983.

PRINCIPAL ACTIVITIES

The group's principal activities throughout the year has 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 was £2,052,745 (1982 - £1,101,136) on which there was a taxation charge of £1,065,099 (1982 - £592,208) and minority interest of £54,663 (1982 - £19,194). The directors recommend the payment of an interim dividend of £201,600 (1982 - £201,600).

DIRECTORS

The following directors held office during the year:

R.D. Rolston - Chairman
H.S.E. Catherwood - Appointed 27th September 1983
C.F.S. Gibney
A.J. Gordon - Appointed 30th November 1982
R.W. Hamilton
A.E. Keeler - Appointed 26th July 1983
M.J. Meagher
G.J. Simms
R.P. Smith
K.R. Wall

Mr. K.R. Wall retires by rotation and Mr. A.E. Keeler and Mr. H.S.E. Catherwood retire in accordance with the Articles of Association. Being eligible, all offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

Directors hold beneficial interests in the shares of National Westminster Bank PLC as follows:

	<u>C.F.S. Gibney</u>	<u>A.J. Gordon</u>	<u>A.E. Keeler</u>	<u>G.J. Simms</u>
Beneficially owned:				
Ordinary shares at 30.9.83	-	295	805	720
1979 Profit Sharing Scheme at 30.9.83	815	668	674	782
Savings Related Share Option Scheme 1974 & 1981 at 30.9.83	1,208	1,448	-	782

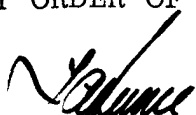
DIRECTORS' INTERESTS IN SHARES (continued)

Other directors having interests in shares and debentures of group companies are also directors of the holding company, Ulster Bank Limited and are not therefore required to notify the company of such interests.

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

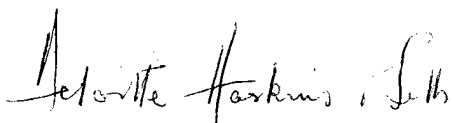
Belfast

29th November 1983


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

We have audited the financial statements on pages 5 to 13 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 1983 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.



DELOITTE HASKINS & SELLS
Chartered Accountants



Belfast

29th November 1983

LOMBARD & ULSTER LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30th SEPTEMBER 1983

	<u>Notes</u>	<u>1983</u> £	<u>1982</u> £
GROUP OPERATING PROFIT	2	2,052,745	1,101,136
TAXATION	5	1,065,099	592,208
GROUP PROFIT AFTER TAXATION	6	987,646	508,928
MINORITY SHAREHOLDER'S INTEREST IN SUBSIDIARY COMPANY		54,663	19,194
GROUP PROFIT AFTER TAXATION AND MINORITY SHAREHOLDER'S INTEREST		932,983	489,734
PROPOSED INTERIM DIVIDEND		201,600	201,600
GROUP PROFIT TRANSFERRED TO RESERVES	8	£731,383	£288,134
		=====	=====

LOMBARD & ULSTER LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET 30th SEPTEMBER 1983

	Notes	1983 £	1982 £
SHARE CAPITAL	7	4,000,000	4,000,000
RESERVES	8	3,075,355	2,342,530
		<u>7,075,355</u>	<u>6,342,530</u>
MINORITY SHAREHOLDER'S INTEREST IN SUBSIDIARY COMPANY		294,115	239,452
DEFERRED TAXATION	9	499,878	377,140
		<u>7,869,348</u>	<u>6,959,122</u>
BALANCES DUE TO NATIONAL WESTMINSTER GROUP COMPANIES	10	27,725,835	22,762,904
LIABILITIES			
Deposit and current accounts		57,018,565	74,484,159
Creditors		871,070	661,538
Taxation		118,072	11,273
Proposed dividend		201,600	201,600
		<u>58,209,307</u>	<u>75,358,570</u>
		<u>£93,804,490</u>	<u>£105,080,596</u>
ASSETS			
Money at call and short notice		3,500,000	3,700,000
Instalment debtors less deferred charges £8,107,855 (1982 - £5,490,521) and provisions		48,283,288	32,902,817
Loans and advances less provisions		26,431,605	25,985,062
Debtors		716,285	501,377
Deposit with Bank of England		149,000	132,000
		<u>79,080,178</u>	<u>63,221,256</u>
Government stock (market value £3,674,774 1982 - £3,555,000)		3,000,000	3,000,000
BALANCES DUE FROM NATIONAL WESTMINSTER GROUP COMPANIES		10,147,903	37,563,413
PLANT AND MACHINERY SUBJECT TO LEASING AGREEMENTS	11	1,180,549	906,896
FIXED ASSETS	13	395,860	389,031
		<u>1,576,409</u>	<u>1,295,927</u>
		<u>£93,804,490</u>	<u>£105,080,596</u>

R.D. ROLSTON

C.F.S. GIBNEY

Directors

LOMBARD & ULSTER LIMITED

BALANCE SHEET 30th SEPTEMBER 1983

	<u>Notes</u>	<u>1983</u> £	<u>1982</u> £
SHARE CAPITAL	7	4,000,000	4,000,000
RESERVES	8	2,312,257	1,735,879
		<u>6,312,257</u>	<u>5,735,879</u>
BALANCES DUE TO NATIONAL WESTMINSTER GROUP COMPANIES	10	<u>26,576,624</u>	<u>22,258,769</u>
LIABILITIES			
Deposit and current accounts		57,018,565	74,484,159
Creditors		755,258	522,338
Proposed dividend		201,600	201,600
		<u>57,975,423</u>	<u>75,208,097</u>
		<u>£90,864,304</u>	<u>£103,202,745</u>
ASSETS			
Money at call and short notice		3,500,000	3,700,000
Instalment debtors less deferred charges £5,023,728 (1982 - £2,904,259) and provisions		24,755,481	14,518,023
Loans and advances less provisions		25,273,818	25,419,121
Debtors		611,972	419,768
Deposit with Bank of England.		149,000	132,000
		<u>54,290,271</u>	<u>44,188,912</u>
Government stock (market value £3,674,774)		<u>3,000,000</u>	<u>3,000,000</u>
BALANCES DUE FROM NATIONAL WESTMINSTER GROUP COMPANIES		<u>10,147,903</u>	<u>37,563,413</u>
SUBSIDIARY COMPANY			
Shares at cost	12	74,000	74,000
Amount due from		22,990,130	18,064,313
		<u>23,064,130</u>	<u>18,138,313</u>
PLANT AND MACHINERY SUBJECT TO LEASING AGREEMENTS		51,573	-
FIXED ASSETS	13	310,427	312,107
		<u>362,000</u>	<u>312,107</u>
		<u>£90,864,304</u>	<u>£103,202,745</u>

R.D. ROLSTON

C.F.S. GIBNEY

Directors

LOMBARD & ULSTER LIMITED
AND ITS SUBSIDIARY COMPANIES

STATEMENT OF GROUP SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30th SEPTEMBER 1983

	<u>1983</u> £	<u>1982</u> £
SOURCE OF FUNDS		
Group profit after taxation	987,646	508,928
Items not involving the movement of funds:		
Depreciation	605,195	444,044
Increase in deferred taxation	122,738	79,355
	<u>1,715,579</u>	<u>1,032,327</u>
FUNDS FROM OTHER SOURCES		
Disposal of fixed assets	64,796	160,028
Movement in taxation	106,799	(148,337)
	<u>171,595</u>	<u>11,691</u>
APPLICATION OF FUNDS		
Dividend paid	201,600	-
Additions to fixed assets	161,010	196,547
	<u>362,610</u>	<u>196,547</u>
	£1,524,564	£ 847,471
	=====	=====
REPRESENTED BY MOVEMENTS IN:		
Loans and other banking assets	15,858,922	2,426,904
Balances due by National Westminster Group companies	(32,378,441)	(9,392,309)
Leased assets	788,021	632,580
	<u>(15,731,498)</u>	<u>(6,832,825)</u>
Deposit and other accounts	17,256,062	7,680,296
	<u>£ 1,524,564</u>	<u>£ 847,471</u>
	=====	=====

LOMBARD & ULSTER LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 1983

1. ACCOUNTING POLICIES

(a) ACCOUNTING REQUIREMENTS

In accordance with Article 19 of the Companies (Northern Ireland) Order 1982 the financial statements have been prepared in compliance with Section 146A 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 resale 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 company 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.

(f) INVESTMENT

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. GROUP OPERATING PROFIT

	<u>1983</u> £	<u>1982</u> £
The group operating profit is stating after charging/(crediting):		
(a) Deposit and other short term interest payable	7,414,010	11,753,343
(b) Depreciation on fixed and leased assets	605,195	444,044
(c) Auditors' remuneration	19,350	18,878
(d) Investment income	(426,944)	(426,944)
	=====	=====

3. DIRECTORS

The remuneration paid to directors was:	<u>1983</u> £
Fees	1,850
Other emoluments (including pension contributions)	112,364
	=====
	£114,214
Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:	=====
The Chairman	£ 1,500
	=====
The highest paid director	£29,076
	=====

The number of other directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

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

4. DIRECTORS LOANS

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

	<u>30th September</u> <u>1983</u> £	<u>1st October</u> <u>1982</u> £	<u>Maximum due</u> <u>on each</u> <u>loan at any</u> <u>time in year</u> £
C.F.S. Gibney	12,411	11,539	12,725
A.J. Gordon	33,390	16,000	66,000
G.J. Simms	19,743	19,889	19,889
R.P. Smith	43,222	43,277	43,361

Interest payable on above loans was at rates up to 13%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. TAXATION

	<u>1983</u> £	<u>1982</u> £
Corporation tax at 52% (1982 - 52%) based on the year's results:		
Payments for group relief in respect of losses surrendered by group companies	824,289	501,580
Current	118,072	11,273
Deferred	122,738	79,355
	<u>£1,065,099</u> =====	<u>£592,208</u> =====

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

Profits amounting to £777,979 (1982 - £438,798) of the Group results after taxation have been dealt with in the financial statements of the company.

7. SHARE CAPITAL

	<u>1983</u> £	<u>1982</u> £
Ordinary shares of £1 each		
Authorised	£6,000,000 =====	£6,000,000 =====
Issued and fully paid	£4,000,000 =====	£4,000,000 =====

8. RESERVES

	<u>THE GROUP</u>		<u>THE COMPANY</u>	
	<u>1983</u> £	<u>1982</u> £	<u>1983</u>	<u>1982</u>
Balances at				
1st October 1982	2,342,530	2,054,396	1,735,878	1,498,680
Consolidating adjustment	1,442	-	-	-
Profit retained for the year	731,383	288,134	576,379	237,198
	<u>£3,075,355</u> =====	<u>£2,342,530</u> =====	<u>£2,312,257</u> =====	<u>£1,735,878</u> =====

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. DEFERRED TAXATION

The major elements are tax at 52% on timing differences arising from:

	Amount provided		Total potential liability	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
	£	£		
(a) The excess of tax allowances on fixed assets eligible for such allowances over the depreciation provided in the financial statements in respect thereof	595,623	472,885	595,623	472,885
(b) Other	(95,745)	(95,745)	(95,745)	(95,745)
	<u>£499,878</u>	<u>£377,140</u>	<u>£499,878</u>	<u>£377,140</u>
	=====	=====	=====	=====

10. BALANCES WITH NATIONAL WESTMINSTER GROUP COMPANIES

Included in the balances due to National Westminster Group Companies are deposits amounting to £22,700,000 (1982 - £20,500,000).

11. PLANT AND MACHINERY SUBJECT TO LEASING AGREEMENTS

	<u>1983</u>	<u>1982</u>
	£	£
Cost at 1st October 1982 net of capital grants £40,244 (1981 - £19,711).	1,724,521	1,323,169
Additions	788,021	632,580
Disposals	(61,684)	(231,228)
Cost at 30th September 1983	<u>2,450,858</u>	<u>1,724,521</u>
Accumulated depreciation	<u>1,270,309</u>	<u>817,625</u>
	<u>£1,180,549</u>	<u>£ 906,896</u>
	=====	=====

12. SHARES IN SUBSIDIARY COMPANY

The company's subsidiary company is:

	<u>Incorporated</u>	<u>Interest</u>
JCB Credit Limited	Gt. Britain	74%

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS

THE GROUP	Freehold property £	*Alterations to leasehold properties £	Motor cars and office equipment £	Total £
Cost at 1st October 1982	81,621	59,535	470,103	611,259
Additions	-	-	161,010	161,010
Disposals	-	-	(119,949)	(119,949)
Cost at 30th September 1983	81,621	59,535	511,164	652,320
Accumulated depreciation	(4,239)	(34,837)	(217,384)	(256,460)
Net book value 30th September 1983	£77,382 =====	£24,698 =====	£293,780 =====	£395,860 =====
Net book value 30th September 1982	£78,524 =====	£27,612 =====	£282,895 =====	£389,031 =====
THE COMPANY				
Cost at 1st October 1982	81,621	59,535	364,780	505,936
Additions	-	-	107,115	107,115
Disposals	-	-	(80,675)	(80,675)
Cost at 30th September 1983	81,621	59,535	391,220	532,376
Accumulated depreciation	(4,239)	(34,837)	(182,873)	(221,949)
Net book value 30th September 1983	£77,382 =====	£24,698 =====	£208,347 =====	£310,427 =====
Net book value 30th September 1982	£78,524 =====	£27,612 =====	£205,971 =====	£312,107 =====

* Lease of less than 50 years.

14. 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 £1,601,170 (1982 - £2,989,105).

15. 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.