



00465444

ER BANKING LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1977

CONTENTS

	<u>Pages</u>
Directors' report	2
Report of the auditors	3
Profit and loss account - consolidated	4
Balance sheet - consolidated	5
Balance sheet - company	6
Statement of group source and application of funds	7
Notes to accounts	8 - 11

DELOITTE

LOMBARD & ULSTER BANKING LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited accounts for the year ended 30th September 1977.

RESULTS

The group profit for the year after taxation and minority interest was £48,565 (1976 - Loss £563,424). The detailed results are shown on Page 4 accompanying this report. The directors do not recommend the payment of a dividend for the year.

ACTIVITIES

The principal activities of the group continue to be the acceptance of deposits and the provision of banking, instalment credit, hire purchase and block discounting facilities.

DIRECTORS

The following directors held office during the year:-

W.J.M. Clark - Chairman (appointed 1st February 1977)  
W.E. Boyd  
G.E. Cameron  
T.J. Fleming  
C.F.S. Gibney  
R.W. Hamilton  
K.R. Wall

Mr. G.E. Cameron and Mr. R.W. Hamilton retire by rotation and Mr. W.J.M. Clark in accordance with the Articles of Association. Being eligible, all offer themselves for re-election.

AUDITORS

Deloitte & Co. will continue in office in accordance with Section 153 (2) of the Companies Act (Northern Ireland) 1960.

BY ORDER OF THE BOARD

  
A.T. MORAN

Secretary

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

We have examined the accounts set out on pages 4 to 11 and have obtained all the information and explanations which we considered necessary. Proper books of accounts have been kept and the accounts are in agreement therewith.

In our opinion the accounts give, on the historical cost basis of accounting, a true and fair view of the state of affairs of the company and of the group at 30th September 1977 and of the profit and source and application of funds of the group for the year ended on that date and comply with the requirements of the Companies Act (Northern Ireland) 1960.

*Deloitte Co*

DELOITTE & CO.

Chartered Accountants

Belfast

29th November 1977.

DELOITTE

LOMBARD & ULSTER BANKING LIMITED  
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30th SEPTEMBER 1977

	<u>Notes</u>	<u>1977</u> £	<u>1976</u> £
GROUP OPERATING LOSS	2	787,173	1,173,917
AMOUNT RECEIVABLE FROM PARENT COMPANY IN RESPECT OF GROUP RELIEF	3	965,856	-
GROUP PROFIT/(LOSS) BEFORE TAXATION		178,683	(1,173,917)
TAXATION	4	104,826	( 630,567)
GROUP PROFIT/(LOSS) AFTER TAXATION	5	73,857	(543,350)
MINORITY SHAREHOLDERS' INTERESTS IN SUBSIDIARY COMPANIES		25,292	20,074
GROUP PROFIT/(LOSS) TRANSFERRED TO (FROM) RESERVES	7	£48,565 =====	£(563,424) =====

DELOITTE

LOMBARD & ULSTER BANKING LIMITED  
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET 30th SEPTEMBER 1977

	Notes	1977 £	1976 £
SHARE CAPITAL	6	500,000	500,000
RESERVES	7	317,580	321,552
MINORITY SHAREHOLDERS' INTERESTS			
IN SUBSIDIARY COMPANIES		95,422	17,593
DEFERRED TAXATION		66,389	105,607
		<u>979,391</u>	<u>944,752</u>
LIABILITIES			
Deposit and current accounts		63,114,119	62,493,531
Creditors		1,280,181	1,287,820
Taxation		144,044	52,639
		<u>64,538,344</u>	<u>63,833,990</u>
		£65,517,735	£64,778,742
		=====	=====
ASSETS			
Money at call and short notice		5,850,000	6,000,000
Bills discounted		1,000,000	900,000
Instalments debtors less deferred charges £2,474,264 (1976 £2,211,595) and provisions		15,597,658	12,745,210
Loans and advances less provisions		26,700,857	27,559,728
Land and work-in-progress		188,200	634,748
Plant for resale		-	17,086
Debtors		134,839	176,367
		<u>49,471,554</u>	<u>48,033,139</u>
BALANCES WITH NATIONAL WESTMINSTER GROUP COMPANIES			
Owing to	8	(10,606,245)	(8,319,131)
Owing by		26,313,935	24,678,739
		<u>15,707,690</u>	<u>16,359,608</u>
PLANT AND MACHINERY SUBJECT TO LEASING AGREEMENTS	9	173,443	242,171
FIXED ASSETS	11	165,048	143,824
		<u>338,491</u>	<u>385,995</u>
		£65,517,735	£64,778,742
		=====	=====

William J. Clack

W. J. Clack

Directors

LOMBARD & ULSTER BANKING LIMITED

BALANCE SHEET 30th SEPTEMBER 1977

	<u>Notes</u>	<u>1977</u> £	<u>1976</u> £
SHARE CAPITAL	6	500,000	500,000
RESERVES	7	199,132	203,415
		<u>699,132</u>	<u>703,415</u>
LIABILITIES			
Deposit and current accounts		63,114,119	62,493,531
Creditors		1,194,896	1,199,925
		<u>64,309,015</u>	<u>63,693,456</u>
		<u>£65,008,147</u>	<u>£64,396,871</u>
ASSETS			
Money at call and short notice		5,850,000	6,000,000
Bills discounted		1,000,000	900,000
Instalment debtors less deferred charges			
£1,747,771 (1976 - £1,479,645) and			
provisions		9,956,114	7,660,910
Loans and advances less provisions		25,779,047	27,212,670
Debtors		67,336	88,325
		<u>42,652,497</u>	<u>41,861,905</u>
BALANCES WITH NATIONAL WESTMINSTER GROUP COMPANIES			
Owing to	8	(10,558,832)	(8,107,733)
Owing by		26,313,935	24,678,739
		<u>15,755,103</u>	<u>16,571,006</u>
SUBSIDIARY COMPANIES			
Shares at cost less amount written off 10		74,000	74,000
Amounts due		6,393,051	5,769,995
		<u>6,467,051</u>	<u>5,843,995</u>
FIXED ASSETS	11	133,496	119,965
		<u>£65,008,147</u>	<u>£64,396,871</u>

*William H. Clach*

*W. H. Clach*

Directors

LOMBARD & ULSTER BANKING LIMITED

STATEMENT OF GROUP SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 30th SEPTEMBER 1977

	<u>1977</u> £	<u>1976</u> £
SOURCE OF FUNDS		
Group profit/(loss) after taxation	73,857	(543,350)
Items not involving movement of funds:		
Depreciation	123,826	94,249
Increase/(decrease) in deferred taxation	(39,218)	22,244
	<u>158,465</u>	<u>(426,857)</u>
Funds from other sources		
Disposal of fixed assets	23,615	28,728
Movement in taxation	91,405	67,152
	<u>115,020</u>	<u>95,880</u>
APPLICATION OF FUNDS		
Additions to fixed assets	86,021	73,535
	<u>£187,464</u> =====	<u>£(404,512)</u> =====
REPRESENTED BY:		
Increase/(decrease) in loans and other banking assets	1,884,963	(3,769,873)
Net increase/(decrease) in balances due by National Westminster companies	(651,918)	12,397,291
Decrease in land and work-in-progress	(446,548)	(1,387,155)
Increase in leased assets	13,916	157,759
	800,413	7,398,022
Increase in deposit and other accounts	612,949	7,802,534
	<u>£187,464</u> =====	<u>£(404,512)</u> =====

DELOITTE

LOMBARD & ULSTER BANKING LIMITED

NOTES TO GROUP ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1977

1. ACCOUNTING POLICIES

- (a) The group prepares its annual accounts on the historical cost basis of accounting.

(b) 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.

(c) DEPRECIATION AND AMORTISATION:

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

Furniture, equipment and vehicles are depreciated on a straight line basis over the estimated useful working life of the assets.

(d) LAND AND WORK-IN-PROGRESS

Land and work-in-progress have been valued at the lower of cost and net realisable value.

(e) DEFERRED TAXATION

The company provides deferred taxation to take account of timing differences between the treatment of certain items for taxation and accountancy purposes on the liability method.

2. GROUP PROFIT/(LOSS)

	<u>1977</u>	<u>1976</u>
	£	£
The group profit/(loss) is stated after charging:		
(a) Deposit and other short term interest payable	8,028,573	6,390,590
(b) Depreciation	123,826	94,249
(c) Exceptional write down of land and work-in-progress to net realisable value	-	130,736
(d) Auditors' remuneration	11,840	11,600

3. The whole of the company's losses for taxation purposes have been absorbed by way of Group Relief claimed by the parent company. They are not, therefore available to be set against future profits of the company, in computing the liability to taxation thereon.



NOTES TO ACCOUNTS (continued)

4. TAXATION

	<u>1977</u> £	<u>1976</u> £
Corporation tax at 52% (1976 - 52%) based on the years results:		
Current	144,044	59,423
Amount receivable from parent company in respect of taxation saved by group relief	-	(721,781)
Deferred	(39,218)	22,244
Overprovision in previous year	-	9,547
	<u>£104,826</u> =====	<u>£(630,567)</u> =====

5. GROUP RESULTS DEALT WITH IN THE ACCOUNTS OF THE COMPANY

Losses amounting to £4,283 (1976-£699,883) of the group results after taxation have been dealt with in the accounts of the company.

6. SHARE CAPITAL

	<u>1977</u>	<u>1976</u>
Ordinary shares of £1 each		
Authorised, issued and fully paid	£500,000 =====	£500,000 =====

7. RESERVES

	<u>THE COMPANY</u>		<u>THE GROUP</u>	
	<u>1977</u> £	<u>1976</u> £	<u>1977</u> £	<u>1976</u> £
Balances at 1st October, 1976	203,415	903,298	321,552	884,976
Profit retained for the year	-	-	48,565	-
Loss sustained for the year	4,283	699,883	-	(563,424)
Consolidation adjustment - minority interest	-	-	52,537	-
Balance at 30th September, 1977	<u>£199,132</u> =====	<u>£203,415</u> =====	<u>£317,580</u> =====	<u>£321,552</u> =====

8. BALANCES WITH NATIONAL WESTMINSTER GROUP COMPANIES

Included in the balances with National Westminster Group Companies are deposits amounting to £9,000,000 (1976 - £7,820,000).

NOTES TO ACCOUNTS (continued)

9. PLANT AND MACHINERY SUBJECT TO LEASING AGREEMENTS

THE GROUP	<u>1977</u> £	<u>1976</u> £
Cost	333,942	320,026
Less: Capital grants	17,283	17,283
	<u>316,659</u>	<u>302,743</u>
Accumulated depreciation	143,216	60,572
Net book value at 30th September 1977	<u>£173,443</u> =====	<u>£242,171</u> =====

10. SHARES IN SUBSIDIARY COMPANIES

The company's subsidiary companies are:-

	<u>Incorporated</u>	<u>Interest</u>
Harding Ulster Limited	Great Britain	100% (1976 51%)
J.C.B. Credit Limited	Great Britain	74% (1976 74%)

11. FIXED ASSETS

	<u>* Alterations to leasehold properties</u>	<u>Motor cars and office equipment</u>	<u>Total</u>
THE COMPANY	£	£	£
Cost at 1st October 1976	47,934	150,359	198,293
Additions	9,909	52,540	62,449
Disposals	-	(28,747)	(28,747)
Cost at 30th September 1977	<u>57,843</u>	<u>174,152</u>	<u>231,995</u>
Accumulated depreciation	19,692	78,807	98,499
Net book value at 30th September 1977	<u>£38,151</u> =====	<u>£95,345</u> =====	<u>£133,496</u> =====
Net book value at 30th September 1976	<u>£31,135</u> =====	<u>£88,830</u> =====	<u>£119,965</u> =====
THE GROUP			
Cost at 1st October 1976	47,934	178,666	226,600
Additions	9,909	76,112	86,021
Disposals	-	(41,422)	(41,422)
Cost at 30th September 1977	<u>57,843</u>	<u>213,356</u>	<u>271,199</u>
Accumulated depreciation	19,692	86,459	106,151
Net book value at 30th September 1977	<u>£38,151</u> =====	<u>£126,897</u> =====	<u>£165,048</u> =====
Net book value at 30th September 1976	<u>£31,135</u> =====	<u>£112,689</u> =====	<u>£143,824</u> =====

\* Leases of less than 50 years unexpired

NOTES TO ACCOUNTS (continued)

12. 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 £1,545,675 (1976 - £966,916).

13. ULTIMATE HOLDING COMPANY

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

DELOITTE