

LLOYDS BOWMAKER RENTALS LIMITED
REPORT OF THE DIRECTORS AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1990

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LLOYDS BOWMAKER RENTALS LIMITED

DIRECTORS

D. A. Baggaley
A. G. Glass

REPORT OF THE DIRECTORS

The directors submit herewith the Balance Sheet at 31st March 1990, together with the Profit and Loss Account for the year ended on that date.

PROFIT AND DIVIDEND

The profit for the year is set out in the attached Profit and Loss Account. The directors propose payment of a dividend of £200,000 for the year.

PRINCIPAL ACTIVITY

The principal activity of the company is leasing.

BUSINESS REVIEW

Both the level of business transacted during the year and the year end financial position were satisfactory. The directors anticipate continuation of the current level of activity.

DIRECTORS

The directors listed above were directors throughout the year.

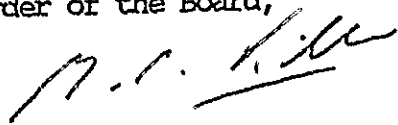
Neither of the directors held a beneficial interest in the shares of the company during the year. The interests of the directors in shares and options to subscribe for shares in other group companies were as follows:

	<u>At 31.3.90</u>		<u>At 1.4.89</u>	
	<u>Shares</u>	<u>Options</u>	<u>Shares</u>	<u>Options</u>
In the ordinary shares of £1 each of Lloyds Bank Plc:				
D. A. Baggaley	-	-	-	-
A. G. Glass	4,300	3,592	1,469	2,390
In the ordinary shares of 5p each of Lloyds Abbey Life plc:				
D. A. Baggaley	2,000	94,662	2,000	70,122
A. G. Glass	-	-	-	-

AUDITORS

A resolution for the re-appointment of Price Waterhouse as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board,



Secretary

Edinburgh
9th January 1991

REPORT OF THE AUDITORS TO THE MEMBERS OF
LLOYDS BOWMAKER RENTALS LIMITED

We have audited the accounts on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 31 March 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
Albany House
58 Albany Street
Edinburgh EH1 3QR
9th January 1991

LLOYDS BOWMAKER RENTALS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
TURNOVER	2	16,902,614	11,777,451
OTHER OPERATING COSTS		(4,325,093)	(3,400,922)
INTEREST RECEIVABLE		57,072	-
INTEREST PAYABLE	4	(12,442,592)	(6,972,819)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	192,001	1,403,710
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	46,856	(493,585)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		238,857	910,125
PROPOSED DIVIDEND		(200,000)	(950,000)
		38,857	(39,875)
RETAINED PROFIT BROUGHT FORWARD		20,718	60,593
RETAINED PROFIT CARRIED FORWARD		59,575	20,718

The notes on pages 6 to 8
form part of the accounts.

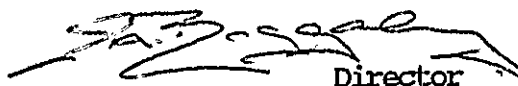
LLOYDS BOWMAKER RENTALS LIMITEDBALANCE SHEETAT 31ST MARCH 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
CURRENT ASSETS			
Debtors: Due within one year	6	85,070,737	73,609,075
Due after more than one year	6	133,290,470	100,409,937
		<u>218,361,207</u>	<u>174,019,012</u>
CREDITORS: Amounts falling due within one year	7	(155,451,841)	(125,971,651)
NET CURRENT ASSETS		<u>62,909,366</u>	<u>48,047,361</u>
PROVISIONS FOR LIABILITIES AND CHARGES	8	(16,870,000)	(14,114,000)
ACCRUALS AND DEFERRED INCOME	9	(45,979,691)	(33,912,543)
NET ASSETS		<u>59,675</u>	<u>20,818</u>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	10	100	100
PROFIT AND LOSS ACCOUNT		<u>59,575</u>	<u>20,718</u>
		<u>59,675</u>	<u>20,818</u>

The notes on pages 6 to 8
form part of the accounts.

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Director

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Director

LLOYDS BOWMAKER RENTALS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31ST MARCH 1990

	<u>1990</u> £	<u>1989</u> £
SOURCE OF FUNDS:		
Profit on ordinary activities before taxation	192,001	1,403,710
Adjustment for items not involving the movement of funds:		
Notional tax credited in respect of regional development grants	(44,321)	(82,395)
TOTAL GENERATED FROM OPERATIONS	147,680	1,321,315
Group relief received	2,371,914	747,475
	<u>2,519,594</u>	<u>2,068,790</u>
APPLICATION OF FUNDS:		
Dividend paid	950,000	500,000
INCREASE IN WORKING CAPITAL	<u>1,569,594</u>	<u>1,568,790</u>
ANALYSED AS FOLLOWS:		
Increase in trade and other debtors less deferred income	33,305,939	43,381,026
(Decrease) increase in amounts owed by group companies	(1,506,155)	2,603,940
Decrease (increase) in trade and other creditors	661,941	(12,249,973)
Increase in amounts owed to group companies	(30,892,131)	(32,166,203)
	<u>1,569,594</u>	<u>1,568,790</u>

LLOYDS BOWMAKER RENTALS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting Convention:

The accounts are prepared under the historical cost convention.

(b) Deferred Income:

Leasing income is credited to the profit and loss account over the period of investment in proportion to the level of net funds invested.

(c) Deferred Taxation:

Deferred taxation is provided at appropriate rates of corporation tax in respect of timing differences where there is a reasonable probability that such taxation will become payable in the foreseeable future.

(d) Regional Development Grants:

Grants receivable which are not subject to taxation are credited to the profit and loss account in proportion to the net investment in the leases in each period, and are grossed up at the current rate of corporation tax, the notional amount of taxation being included as part of the taxation charge.

2. TURNOVER

Turnover represents the amount of leasing income earned under instalment finance arrangements, including the amount of grossing up of regional development grants in respect of notional taxation.

During the year aggregate receivables were £73,320,569 (1989, £44,941,808) and the cost of assets acquired was £90,087,342 (1989, £81,572,858).

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The following have been taken into account on arriving at the profit:

	<u>1990</u> £	<u>1989</u> £
Audit fee	<u>5,000</u>	<u>5,000</u>
Bad and doubtful debts	<u>663,315</u>	<u>45,386</u>
Directors' emoluments	<u>-</u>	<u>-</u>
Notional tax credit on regional development grants	<u>44,321</u>	<u>82,395</u>

4. INTEREST

On loan from group company	12,442,592	6,972,781
On other loans repayable within five years	-	38
	<u>12,442,592</u>	<u>6,972,819</u>

LLOYDS BOWMAKER RENTALS LIMITED

NOTES TO THE ACCOUNTS

5. TAXATION	<u>1990</u> £	<u>1989</u> £
Current year:		
Group relief receivable at 35%	(2,842,783)	(2,367,520)
Transfer to deferred taxation	2,756,000	2,779,000
Notional taxation charge on regional development grants	44,321	82,395
	<u>(42,462)</u>	<u>493,875</u>
Adjustments for previous year:		
Group relief	(4,394)	(290)
	<u>(46,856)</u>	<u>493,585</u>

Group relief receivable for the year has benefited to the extent of £89,000 from tax free capital gains and £20,000 from corporation tax repayment supplement.

6. DEBTORS	<u>1990</u>		<u>1989</u>	
	<u>Due within one year</u> £	<u>Due after more than one year</u> £	<u>Due within one year</u> £	<u>Due after more than one year</u> £
Amounts owed by immediate holding company and fellow subsidiary companies	1,929,403	-	3,435,558	-
Trade debtors:				
Rentals receivable under leasing contracts less provisions	79,916,725	133,290,470	67,285,436	100,409,937
Other debtors	381,826	-	520,561	-
Group relief receivable	2,842,783	-	2,367,520	-
	<u>85,070,737</u>	<u>133,290,470</u>	<u>73,609,075</u>	<u>100,409,937</u>

7. CREDITORS: amounts falling due within one year	<u>1990</u> £	<u>1989</u> £
Amounts owed to intermediate holding company and fellow subsidiary companies	136,360,911	105,468,780
Trade creditors	18,280,776	18,404,364
Other creditors	610,654	1,148,507
Dividend payable	200,000	950,000
	<u>155,451,841</u>	<u>125,971,651</u>

LLOYDS BOWMAKER RENTALS LIMITED

NOTES TO THE ACCOUNTS

8. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1990</u>
Deferred Taxation:	£
Balance at 31st March 1989	14,114,000
Transfer from profit and loss account	<u>2,756,000</u>
Balance at 31st March 1990	<u><u>16,870,000</u></u>

The amounts provided at 31st March 1990 and 1989 were the full potential liabilities and were attributable to accelerated capital allowances.

	<u>1990</u>	<u>1989</u>
9. ACCRUALS AND DEFERRED INCOME	£	£
Unearned leasing income	45,951,166	33,912,543
Unearned insurance commission	28,525	-
	<u><u>45,979,691</u></u>	<u><u>33,912,543</u></u>

10. SHARE CAPITAL

Authorised:		
1,000,000 shares of £1 each	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>
Allotted, called-up and fully paid:		
100 shares of £1 each	<u><u>100</u></u>	<u><u>100</u></u>

11. APPROVAL OF ACCOUNTS

These accounts were approved by the Board of Directors on 9th January 1991.

12. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Lloyds Bank Plc which is incorporated in Great Britain.