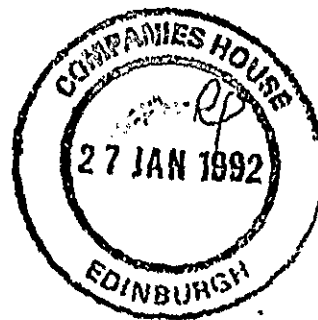


LLOYDS BOWMAKER RENTALS LIMITED
REPORT OF THE DIRECTORS AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1991



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 1991, 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 £1,100,000 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.

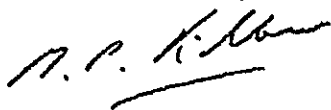
Neither of the directors held a beneficial interest in the shares of the company during the year. The interests of the directors in shares and options to subscribe for shares in other group companies were as follows:

	<u>At 31.3.91</u>		<u>At 1.4.90</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	4,300	3,592
In the ordinary shares of 5p each of Lloyds Abbey Life plc:				
D. A. Baggaley	2,000	141,111	2,000	94,662
A. G. Glass	-	1,464	-	-

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,



M.P. KILBEE
Secretary

Edinburgh
6th January 1992

Registered number 69104

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 31st March 1991 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
and Registered Auditor
Albany House
58 Albany Street
Edinburgh EH1 3QR
6th January 1992

6th JANUARY 1992

LLOYDS BOWMAKER RENTALS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1991

	<u>Notes</u>	<u>1991</u> £	<u>1990</u> £
TURNOVER	2	20,720,461	16,902,614
OTHER OPERATING COSTS		(5,470,178)	(4,325,093)
INTEREST RECEIVABLE		-	57,072
INTEREST PAYABLE	4	(15,200,965)	(12,442,592)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	49,318	192,001
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	1,067,173	46,856
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,116,491	238,857
PROPOSED DIVIDEND		(1,100,000)	(200,000)
		16,491	38,857
RETAINED PROFIT BROUGHT FORWARD		59,575	20,718
RETAINED PROFIT CARRIED FORWARD		76,066	59,575

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

LLOYDS BOWMAKER RENTALS LIMITED

BALANCE SHEET

AT 31ST MARCH 1991

	<u>Notes</u>	<u>1991</u> £	<u>1990</u> £
CURRENT ASSETS			
Debtors: Due within one year	6	77,474,173	85,070,737
Due after more than one year	6	119,484,208	133,290,470
		<u>196,958,381</u>	<u>218,361,207</u>
CREDITORS: Amounts falling due within one year	7	(138,814,950)	(155,451,841)
NET CURRENT ASSETS		<u>58,143,431</u>	<u>62,909,366</u>
PROVISIONS FOR LIABILITIES AND CHARGES	8	(15,015,000)	(16,870,000)
ACCRUALS AND DEFERRED INCOME	9	(43,052,265)	(45,979,691)
NET ASSETS		<u><u>76,166</u></u>	<u><u>59,675</u></u>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	10	100	100
PROFIT AND LOSS ACCOUNT		<u>76,066</u>	<u>59,575</u>
		<u><u>76,166</u></u>	<u><u>59,675</u></u>

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


D. A. BAGGALEY
Director

LLOYDS BOWMAKER RENTALS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31ST MARCH 1991

	<u>1991</u> £	<u>1990</u> £
SOURCE OF FUNDS:		
Profit on ordinary activities before taxation	49,318	192,001
Adjustment for items not involving the movement of funds:		
Notional tax credited in respect of regional development grants	(16,316)	(44,321)
TOTAL GENERATED FROM OPERATIONS	33,002	147,680
Group relief received	2,842,783	2,371,914
	<u>2,875,785</u>	<u>2,519,594</u>
APPLICATION OF FUNDS:		
Dividend paid	200,000	950,000
INCREASE IN WORKING CAPITAL	<u>2,675,785</u>	<u>1,569,594</u>
ANALYSED AS FOLLOWS:		
(Decrease) increase in trade and other debtors	(14,478,197)	33,305,939
less deferred income	(1,154,420)	(1,506,155)
Decrease in amounts owed by group companies	11,890,373	661,941
Decrease in trade and other creditors	6,418,029	(30,892,131)
Decrease (increase) in amounts owed to group companies	<u>2,675,785</u>	<u>1,569,594</u>

LLOYDS BOOMAKER RENTALS LIMITEDBALANCE SHEETAT 31ST MARCH 1991

	<u>Notes</u>	<u>1991</u> £	<u>1990</u> £
CURRENT ASSETS			
Debtors: Due within one year	6	77,474,173	85,070,737
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		<u><u>76,166</u></u>	<u><u>59,675</u></u>

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


D. A. BAGGAILEY
Director

LLOYDS BOWMAKER RENTALS LIMITED
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FOR THE YEAR ENDED 31ST MARCH 1991

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	<u>2,675,785</u>	<u>1,569,594</u>

LLOYDS BOWMAKER RENTALS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting Convention:

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(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 £84,856,880 (1990, £73,320,569) and the cost of assets acquired was £53,488,222 (1990, £90,087,342).

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1991</u> £	<u>1990</u> £
Audit fee	<u>5,000</u>	<u>5,000</u>
Bad and doubtful debts	<u>1,500,438</u>	<u>663,315</u>
Directors' emoluments	<u>-</u>	<u>-</u>
Notional tax credit on regional development grants	<u>16,316</u>	<u>44,321</u>

4. INTEREST

On loan from intermediate parent company

<u>15,200,965</u>	<u>12,442,592</u>
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LLOYDS BOWMAKER RENTALS LIMITED

NOTES TO THE ACCOUNTS

5. TAXATION	<u>1991</u> £	<u>1990</u> £
Current year:		
Corporation tax at 34%	771,226	-
Group relief receivable at 35%	-	(2,842,783)
Transfer (from) to deferred taxation	(1,855,000)	2,756,000
Notional taxation charge on regional development grants	16,316	44,321
	<u>(1,067,458)</u>	<u>(42,462)</u>
Adjustments for previous year:		
Group relief	285	(4,394)
	<u>(1,067,173)</u>	<u>(46,856)</u>

The tax charge for the year has benefited to the extent of £942,000 from the reduction in the rate of corporation tax from 35% and £142,000 from tax free capital gains. In 1990 there was a benefit of £89,000 from tax free capital gains and £20,000 from corporation tax repayment supplement.

6. DEBTORS	<u>1991</u>		<u>1990</u>	
	Due within <u>one year</u> £	Due after more than <u>one year</u> £	Due within <u>one year</u> £	Due after more than <u>one year</u> £
Trade debtors:				
Rentals receivable under leasing contracts less provisions	76,699,190	119,484,208	79,916,725	133,290,470
Amounts owed by immediate parent and fellow subsidiary companies	774,983	-	1,929,403	-
Other debtors	-	-	381,826	-
Group relief receivable	-	-	2,842,783	-
	<u>77,474,173</u>	<u>119,484,208</u>	<u>85,070,737</u>	<u>133,290,470</u>

7. CREDITORS: amounts falling due within one year	<u>1991</u> £	<u>1990</u> £
Amounts owed to intermediate parent company and fellow subsidiary companies	129,942,882	136,360,911
Trade creditors	4,816,584	18,280,276
Other creditors	2,183,973	610,654
Dividend payable	1,100,000	200,000
Corporation tax payable	771,226	-
Group relief payable	285	-
	<u>138,814,950</u>	<u>155,451,841</u>

LLOYDS BOWMAKER RENTALS LIMITED

NOTES TO THE ACCOUNTS

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation:	£
Balance at 31st March 1990	16,870,000
Transfer from profit and loss account	(1,855,000)
Balance at 31st March 1991	<u>15,015,000</u>

The amounts provided at 31st March 1991 and 1990 were the full potential liabilities and were attributable to accelerated capital allowances.

9. ACCRUALS AND DEFERRED INCOME

	<u>1991</u> £	<u>1990</u> £
Unearned leasing income	43,019,768	45,951,166
Unearned insurance commission	32,497	28,525
	<u>43,052,265</u>	<u>45,979,691</u>

10. SHARE CAPITAL

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

11. APPROVAL OF ACCOUNTS

These accounts were approved by the Board of Directors on 6th January 1992.

12. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Lloyds Bank Plc which is registered in England and Wales. A copy of its group accounts can be obtained from Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

The company's intermediate parent company is Lloyds Bowmaker Finance Limited which is registered in England and Wales. A copy of its group accounts can be obtained from Lloyds Bowmaker Finance Limited, Holland House, Oxford Road, Bournemouth BH8 8EZ.