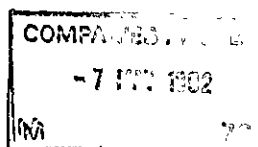


LLOYDS BOWMAKER LEASING LIMITED

REPORT OF THE DIRECTORS AND ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1991



LLOYDS BOWMAKER LEASING LIMITED

DIRECTORS

D. A. Baggaley
A. G. Glass

REPORT OF THE DIRECTORS

The directors submit herewith the Balance Sheet at 30th September 1991, together with the Profit and Loss Account for the year ended on that date.

LOSS AND DIVIDEND

The loss for the year is set out in the attached Profit and Loss Account. No dividend is payable for the year.

PRINCIPAL ACTIVITY

The principal activity of the company is leasing.

BUSINESS REVIEW

The level of business for the year was satisfactory and the directors expect that the level of activity will be maintained for the foreseeable future.

FINANCIAL POSITION

The adverse balance on profit and loss account results from the extraordinary charge of £41,239,802 in the accounts for the year ended 30th September 1984 due to the changes in capital allowances and rates of corporation tax introduced by the Finance Act 1984. Retained profits at 30th September 1983 amounted to £705,135 after charging dividends of £46,000,000.

In recognition of this situation Lloyds Bowmaker Limited has confirmed that it will provide such financial assistance as is necessary to maintain the company as a going concern.

DIRECTORS

Mr D. A. Baggaley and Mr A. G. Glass were directors throughout the year.

None of the directors held a beneficial interest in the shares of the company during the year.

DIRECTORS (Continued)

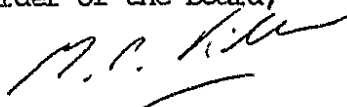
The interests of the directors in shares and options to subscribe for shares in other group companies were as follows:-

	<u>At 30.9.91</u>		<u>Options</u>	<u>Options</u>	<u>At 1.10.90</u>	
	<u>Shares</u>	<u>Options</u>	<u>granted</u>	<u>exercised</u>	<u>Shares</u>	<u>Options</u>
			<u>during year</u>	<u>during year</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	91,818	20 151	49,293	2,000	120,960
A. G. Glass	-	1,464	-	-	-	1,464

AUDITORS

At the Annual General Meeting held on 10th July 1991, the company elected to dispense with the holding of Annual General Meetings and to dispense with the obligation to appoint auditors annually.

By Order of the Board,



M. P. KILBEE
Secretary
3rd April 1992

Registered number 665240

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

We have audited the accounts on pages 4 to 10 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 30th September 1991 and of its loss 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
3rd April 1992

LLOYDS BOWMAKER LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1991

	<u>Notes</u>	<u>1991</u> £	<u>1990</u> £
TURNOVER	3	9,120,537	13,248,969
OTHER OPERATING EXPENSES		(5,690,043)	(4,878,159)
INTEREST PAYABLE	5	(9,869,803)	(11,338,333)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(6,439,309)	(2,967,523)
TAXATION ON LOSS ON ORDINARY ACTIVITIES	6	3,119,520	1,186,459
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(3,319,789)	(1,781,064)
ADVERSE BALANCE BROUGHT FORWARD		(17,143,459)	(15,362,395)
ADVERSE BALANCE CARRIED FORWARD		(20,463,248)	(17,143,459)

The notes on pages 7 to 10
form part of these accounts.

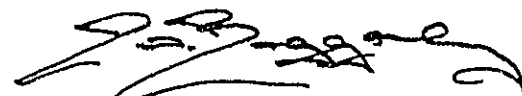
LLOYDS BOWMAKER LEASING LIMITED

BALANCE SHEET

AT 30TH SEPTEMBER 1991

	<u>Notes</u>	<u>1991</u> £	<u>1990</u> £
CURRENT ASSETS:			
Debtors: Due within one year	7	95,785,323	83,696,377
Due after more than one year	7	85,015,667	87,765,711
		<u>180,800,990</u>	<u>171,462,088</u>
CREDITORS: Amounts falling due within one year	8	(145,756,608)	(137,090,840)
NET CURRENT ASSETS		<u>35,044,382</u>	<u>34,371,248</u>
PROVISIONS FOR LIABILITIES AND CHARGES	9	(12,855,857)	(14,363,147)
ACCRUALS AND DEFERRED INCOME	10	(36,151,673)	(30,651,460)
NET LIABILITIES		<u>(13,963,148)</u>	<u>(10,643,359)</u>
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	11	6,500,100	6,500,100
PROFIT AND LOSS ACCOUNT		(20,463,248)	(17,143,459)
		<u>(13,963,148)</u>	<u>(10,643,359)</u>

The notes on pages 7 to 10 form part of these accounts.


D. A. BAGGAILEY
Director

LLOYDS BOYMAKER LEASING LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30TH SEPTEMBER 1991

	<u>1991</u> £	<u>1990</u> £
APPLICATION OF FUNDS:		
Loss on ordinary activities before taxation	(6,439,309)	(2,967,523)
Adjustment for items not involving the movement of funds:		
Notional tax credited in respect of regional development grants	(470)	(35,802)
TOTAL ABSORBED BY OPERATIONS	(6,439,779)	(3,003,325)
Corporation tax paid	-	(4,325,685)
Group relief paid	(1,627,817)	(6,307,362)
DECREASE IN WORKING CAPITAL	<u>(8,067,596)</u>	<u>(13,636,372)</u>
ANALYSED AS FOLLOWS:		
Increase (decrease) in debtors less deferred income	19,193,820	(21,365,594)
(Decrease) increase in amount owed by fellow subsidiaries	(15,355,131)	19,811,888
Decrease (increase) in trade and other creditors	5,326,618	(593,244)
Decrease (increase) in amount owed to group companies	19,601,990	(16,835,364)
	<u>28,767,297</u>	<u>(18,982,314)</u>
MOVEMENT IN NET LIQUID FUNDS:		
(Increase) decrease in bank overdraft	(36,834,893)	5,345,942
	<u>(8,067,596)</u>	<u>(13,636,372)</u>

LLOYDS BOWMAKER LEASING LIMITED

NOTES TO THE ACCOUNTS

1. FINANCIAL POSITION

The adverse balance on profit and loss account results from the extraordinary charge of £41,239,802 in the accounts for the year ended 30th September 1984 due to changes in capital allowances and rates of corporation tax introduced by the Finance Act 1984. Retained profits at 30th September 1983 amounted to £705,135 after charging dividends of £46,000,000.

In recognition of this situation Lloyds Bowmaker Limited has confirmed that it will provide such financial assistance as is necessary to maintain the company as a going concern.

2. 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.

3. TURNOVER

Turnover represents the amount of leasing income earned under instalment finance arrangements.

During the year aggregate receivables were £58,389,116 (1990, £67,202,937) and the cost of assets acquired was £68,833,892 (1990, £35,637,849).

LLOYDS BOWMAKER LEASING LIMITED

NOTES TO THE ACCOUNTS

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1991</u> £	<u>1990</u> £
The following have been taken into account in arriving at the loss:		
Audit fee	<u>40,000</u>	<u>40,000</u>
Directors' emoluments	<u>-</u>	<u>-</u>
Notional tax credit on regional development grants	<u>(470)</u>	<u>(35,802)</u>
Bad and doubtful debts charge	<u>768,010</u>	<u>477,211</u>

5. INTEREST PAYABLE

On loans from parent company	<u>9,869,803</u>	<u>11,338,333</u>
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6. TAXATION

Current year:		
Group relief receivable at 33.5%	(1,524,674)	-
Corporation tax payable at 35%	-	1,793,342
Transfer from deferred taxation	(1,507,290)	(2,866,853)
Notional taxation charge on regional development grants	<u>470</u>	<u>35,802</u>
	(3,031,494)	(1,037,709)
Adjustments for previous years:		
Corporation tax	(1,793,342)	(1,610,911)
Group relief	1,705,316	1,672,161
Deferred taxation	<u>-</u>	<u>(210,000)</u>
	<u>(3,119,520)</u>	<u>(1,186,459)</u>

Taxation for the year has benefited to the extent of £904,000 from the reduction in the rate of taxation from 35%.

LLOYDS BONMAKER LEASING LIMITED

NOTES TO THE ACCOUNTS

7. 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	78,661,396	85,015,667	49,866,377	87,765,711
Other debtors	6,421,762	-	7,772,704	-
Amounts owed by fellow subsidiary companies	10,702,165	-	26,057,296	-
	<u>95,785,323</u>	<u>85,015,667</u>	<u>83,696,377</u>	<u>87,765,711</u>

8. CREDITORS: Amounts falling due within one year

	<u>1991</u> £	<u>1990</u> £
Amounts owed to parent and fellow subsidiary companies	101,221,851	120,823,841
Bank overdraft	41,145,039	4,310,146
Trade creditors	745,076	2,020,089
Other creditors	2,403,991	6,455,596
Group relief payable	240,651	1,687,826
Corporation tax payable	-	1,793,342
	<u>145,756,608</u>	<u>137,090,840</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred Taxation:	
Balance at 30th September 1990	14,363,147
Transfer to Profit and Loss Account	(1,507,290)
Balance at 30th September 1991	<u>12,855,857</u>

The amounts provided at 30th September 1991 and 1990 are the full potential liabilities and are attributable to accelerated capital allowances.

LLOYDS BOWMAKER LEASING LIMITED

NOTES TO THE ACCOUNTS

10. ACCRUALS AND DEFERRED INCOME	<u>1991</u> £	<u>1990</u> £
Unearned leasing income	36,144,317	30,651,460
Unearned insurance commission	7,356	-
	<u>36,151,673</u>	<u>30,651,460</u>

11. SHARE CAPITAL

Authorised, allotted, called-up and fully paid:

6,500,100 ordinary shares
of £1 each

<u>6,500,100</u>	<u>6,500,100</u>
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12. APPROVAL OF ACCOUNTS

These accounts were approved by the Board of Directors on 3rd April 1992.

13. PARENT COMPANIES

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.