

LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

31 December 1994



LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED  
203 Blackfriars Road London SE1 8NH

DIRECTORS

A E Moore CBE- Chairman  
J A Davies  
D H A Harrison  
P B Miles (alternate: A R Foad)

SECRETARY

M R Hatcher

AUDITORS

Price Waterhouse

REGISTERED OFFICE

71 Lombard Street  
London EC3P 3BS

REGISTERED NUMBER

2521664

# LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

## REPORT OF THE DIRECTORS

### PRINCIPAL ACTIVITY

The principal activity of the company is identifying investment opportunities and making suitable investments.

### RESULTS

The profit after taxation for the year ended 31 December 1994 of £3,481 as set out in the profit and loss account on page 5 has been transferred to reserves.

### DIRECTORS

The names of the present directors of the company are shown on page 1.

During the year, the following directors were appointed or resigned:

	<u>Appointed</u>	<u>Resigned</u>
J T Davies		31 October 1994
J A Davies	1 November 1994	
W R Fullelove		30 November 1994
P B Miles	1 December 1994	

On 1 November 1994, Mr Moore was elected chairman of the company, in succession to Mr J T Davies, and Mr Miles ceased to be an alternate director to Mr Fullelove on 30 November 1994. Mr A R Foad was appointed an alternate director to Mr Miles on 9 December 1994.

All the present directors are also directors of Lloyds Leasing Limited and reference to their interests in the capital of Lloyds Bank Plc, the ultimate parent company, and its subsidiaries is made in the report and accounts of Lloyds Leasing Limited.

On behalf of the board



M R Hatcher  
Secretary

1 March 1995

## AUDITORS' REPORT TO THE MEMBER OF LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

### Respective responsibilities of directors and auditors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have responsibility for ensuring the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1994 and of the profit 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 Auditors

Southwark Towers  
32 London Bridge Street  
London SE1 9SY

1 March 1995

## LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

### ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, in compliance with the requirements of the Companies Act 1985 and in accordance with applicable accounting standards. The company is exempted from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with the requirements of Financial Reporting Standard 1 is included in the accounts of its ultimate parent undertaking.

(a) Investments - Listed British Government securities

Investments are held at cost and any premium or discount is amortised from purchase to maturity in equal annual instalments.

(b) Deferred taxation

Deferred taxation is provided at the appropriate rates of taxation where there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 1994

	Note	1994 £	1993 £
INVESTMENT INCOME RECEIVABLE		6,389	35
AMORTISATION OF INVESTMENTS	3	800	115
		<hr/>	<hr/>
		5,589	(80)
OPERATING EXPENSES			
Administrative expenses		-	262
		<hr/>	<hr/>
PROFIT (LOSS) ON INVESTMENT ACTIVITIES BEFORE TAXATION		5,589	(342)
TAXATION CHARGE (CREDIT)	2	2,108	(75)
		<hr/>	<hr/>
PROFIT (LOSS) AFTER TAXATION		3,481	(267)
		<hr/>	<hr/>

There are no further gains or losses attributable to the shareholder other than those disclosed above.

The notes on pages 8 to 10 form part of these accounts.

LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

RECONCILIATION OF MOVEMENTS IN CAPITAL AND RESERVES  
for the year ended 31 December 1994

	1994 £	1993 £
PROFIT (LOSS) FOR THE YEAR AFTER TAXATION	3,481	(267)
INCREASE IN ISSUED SHARE CAPITAL	-	9,998
NET INCREASE IN CAPITAL AND RESERVES	3,481	9,731
CAPITAL AND RESERVES AT BEGINNING OF YEAR	9,733	2
CAPITAL AND RESERVES AT END OF YEAR	13,214	9,733

The notes on pages 8 to 10 form part of these accounts.

LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

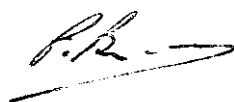
BALANCE SHEET  
at 31 December 1994

	Note	1994 £	1993 £
ASSETS			
FIXED ASSETS			
Investments	3	96,904	97,704
CURRENT ASSETS			
DEBTORS			
Amounts owed by group undertakings	4	7,050	87
Other debtors		2,814	1,953
		<hr/>	<hr/>
		106,768	99,744
		<hr/>	<hr/>
LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	5	10,000	10,000
Profit and loss account	6	3,214	(267)
		<hr/>	<hr/>
		13,214	9,733
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	7	320	12
CREDITORS			
Amounts owed to group undertakings	8	93,234	89,999
		<hr/>	<hr/>
		106,768	99,744
		<hr/>	<hr/>

A E Moore - Chairman



P B Miles - Chief Manager



The notes on pages 8 to 10 form part of these accounts.



# LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

## NOTES TO THE ACCOUNTS

### 1 EMOLUMENTS OF DIRECTORS AND EMPLOYEES AND AUDITORS' REMUNERATION

£3,000 (1993:£3,000) was paid by the ultimate parent company to one director for his services relating to the management of the affairs of the company. No other directors received emoluments for their services to the company.

All staff engaged in the service of the company are employees of Lloyds Bank Plc.

The remuneration of the auditors was borne by Lloyds Leasing Limited.

### 2 TAXATION CHARGE (CREDIT)

	1994 £	1993 £
Group relief payable (receivable)	1,800	(87)
Deferred taxation	308	12
	<hr/> 2,108	<hr/> (75)

The taxation charge (1993:credit) on the profit (1993:loss) for the year has been based on a United Kingdom corporation tax rate of 33% (1993:33%).

### 3 INVESTMENTS

Listed British Government securities

	Cost £	Amortisation of discount £	Balance sheet amount £
At 1 January 1994	97,819	(115)	97,704
Amortisation of discount	-	(800)	(800)
	<hr/> 97,819	<hr/> (915)	<hr/> 96,904
At 31 December 1994			

The mid market value of listed investments at 31 December 1994 was £83,200 (1993: £97,704).

### 4 AMOUNTS OWED BY GROUP UNDERTAKINGS

	1994 £	1993 £
Group relief receivable	-	87
Sums due from fellow subsidiary undertaking	7,050	-
	<hr/> 7,050	<hr/> 87

# LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

## NOTES TO THE ACCOUNTS

### 5 CALLED UP SHARE CAPITAL

	1994	1993
	£	£
Authorised, allotted and issued fully paid: ordinary shares of £1 each	10,000	10,000

The company regarded by the directors as the ultimate parent company is Lloyds Bank Plc, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Lloyds Leasing Limited is the parent undertaking of the smallest such group of undertakings. Lloyds Bank Plc and Lloyds Leasing Limited are registered in England and Wales and copies of the group accounts of both may be obtained from the company secretary's office, Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

### 6 PROFIT AND LOSS ACCOUNT

	£
At 1 January 1994	(267)
Retained profit for the year	3,481
At 31 December 1994	3,214

### 7 DEFERRED TAXATION

	£
At 1 January 1994	12
Charge for the year	308
At 31 December 1994	320

The balances at 31 December 1994 and 1 January 1994 represent full provision in respect of the potential liability of the company to taxation on short-term timing differences.

LLOYDS INVESTMENT SECURITIES NO. 2 LIMITED

NOTES TO THE ACCOUNTS

8 AMOUNTS OWED TO GROUP UNDERTAKINGS

	1994 £	1993 £
Amounts falling due within one year:		
Sums due to fellow subsidiary undertakings	91,434	89,999
Group relief payable	1,800	-
	<hr/>	<hr/>
	93,234	89,999
	<hr/>	<hr/>

9 DATE OF APPROVAL

The directors approved the accounts on 1 March 1995.