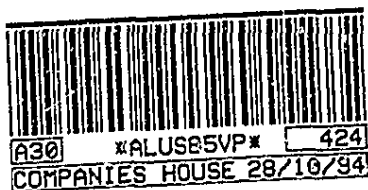


707749

DIAL CONTRACTS LIMITED

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1993



## DIAL CONTRACTS LIMITED

### REPORT OF THE DIRECTORS (Company Registration Number: 707749)

The Directors present their report and the audited financial statements for the year ended 31 December 1993.

#### ACTIVITIES

The principal activity of the company is the provision of vehicle management services including vehicle acquisition, contract hire, leasing and fleet management and this is likely to remain so for the foreseeable future.

#### RESULTS FOR THE YEAR

The company's profit for the year from ordinary activities after taxation amounted to £10,733,000 (1992: £5,316,000) and has been transferred to reserves. The Directors recommend that no dividend be declared for the year.

#### FIXED ASSETS

Significant changes in fixed assets are set out in notes 7, 8 and 9 to the financial statements.

#### DIRECTORS

The Directors of the company during the year were:

JE Yardley	Chairman
CR Brightwell	(Resigned 18 January 1994)
SA Bullard	
SW Clarke	
PJ Dunkley	
IMR Goswell	(Appointed 15 November 1993)
JN Lewis	
MR Porter	

#### POLICY ON DISABLED EMPLOYMENT

The company continues to take steps to increase employment opportunities for disabled people. Should existing employees become disabled, every help is given to ensure their continued employment wherever possible.

#### EMPLOYMENT POLICY

The company maintains policies aimed at informing employees of, and involving them in matters relating to the company's activities and performance, as appropriate to their employment.

Participation in the Barclays PLC profit sharing scheme is also open to all eligible employees.

# DIAL CONTRACTS LIMITED

## REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS' INTERESTS

The Directors holding office at the end of the year and their beneficial interests in relevant shares or debentures as disclosed by the register kept under the provision of Section 325 of the Companies Act 1985 are listed below, except where they were also Directors of the company's immediate holding company:

	Ordinary Stock Units of £1 each in Barclays PLC	
	At 31 December 1993	At 1 January 1993 or date of appointment if later
SA Bullard	—	—
SW Clarke	4,226	4,114
IMR Goswell	—	—
MR Porter	—	—

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Auditors' report on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 5 to 15, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all the accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that 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.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent fraud or other irregularities.

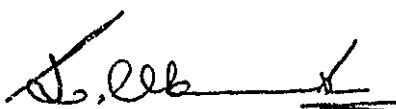
**DIAL CONTRACTS LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)**

**AUDITORS**

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the reappointment of Price Waterhouse as Auditors of the company will be put to the Annual General Meeting.

By Order of the Board



SW Clarke  
Secretary

4 March 1994

Dial House  
Burston Road  
London  
SW15 6SD

**AUDITORS' REPORT TO THE MEMBERS OF  
DIAL CONTRACTS LIMITED**

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

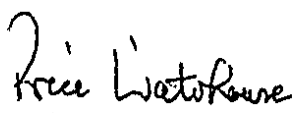
**Basis of opinion**

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 the company's affairs as at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors  
Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

4 March 1994

DIAL CONTRACTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u> £'000	<u>1992</u> £'000
Turnover	2	107,735	104,238
Cost of sales		<u>(64,102)</u>	<u>(61,260)</u>
Gross profit		43,633	42,978
Net operating expenses	3	<u>(14,373)</u>	<u>(12,406)</u>
Operating profit		29,260	30,572
Profit on sale of subsidiary undertaking	8	<u>4,975</u>	<u>—</u>
Profit on ordinary activities before interest		34,235	30,572
Interest payable	4 (1)	<u>(20,644)</u>	<u>(26,280)</u>
Profit on ordinary activities before taxation	4 (2)	13,591	4,292
Tax on profit on ordinary activities	6 (1)	<u>(2,858)</u>	<u>1,024</u>
Profit on ordinary activities after taxation transferred to reserves	14	<u>10,733</u>	<u>5,316</u>

Turnover and profit on ordinary activities before taxation relate exclusively to continuing operations.


The retained profit is equal to the recognised gain.

DIAL CONTRACTS LIMITED

BALANCE SHEET AT 31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u> £'000	<u>1992</u> £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	1,409	1,433
Investments in group undertakings	8	6	4,531
Operating lease assets	9	<u>203,974</u>	<u>181,752</u>
		205,389	187,716
<b>CURRENT ASSETS</b>			
Debtors	10	119,768	113,605
Cash at bank and in hand		<u>95</u>	<u>15</u>
		119,863	113,620
CREDITORS: Amounts falling due within one year	11	<u>(252,068)</u>	<u>(255,995)</u>
NET CURRENT LIABILITIES		(132,205)	(142,375)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		73,184	45,341
CREDITORS: Amounts falling due after more than one year	11	(9,000)	—
PROVISIONS FOR LIABILITIES AND CHARGES	6(2)	(9,420)	(2,331)
ACCRUALS AND DEFERRED INCOME	12	<u>(30,338)</u>	<u>(29,317)</u>
NET ASSETS		<u>24,426</u>	<u>13,693</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital — 222,222 authorised, allotted and fully paid ordinary £1 shares	13	222	222
Share premium account	13	4,403	4,403
Profit and loss account	13	<u>19,801</u>	<u>9,068</u>
		24,426	13,693

Approved by the Board on  
4 March 1994

  
JE Yardley CHAIRMAN

# DIAL CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993

### 1 ACCOUNTING POLICIES

#### (1) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### (2) Income recognition

The profit and loss account is credited with income from:

- a Operating leases, using the straight line basis which apportions income evenly over the period of the leases.
- b Finance leases and hire purchase agreements, using the actuarial method to give a constant periodic rate of return on the net cash investment.
- c Other operating income, on an accruals basis.

#### (3) Depreciation

The straight line basis of calculation is used to provide depreciation as follows:

- a Operating lease assets – over expected useful lives to estimated residual values.
- b Plant, equipment and office furniture – 20% per annum on cost.
- c Computer equipment – 20% per annum on cost.

The reducing balance basis of calculation is used to provide depreciation on company motor vehicles at 30% per annum.

#### (4) Assets acquired under hire purchase contracts

Assets acquired under hire purchase contracts are capitalised at the total amount of instalments payable under the hire purchase agreement (excluding finance charges) and depreciated in accordance with note (3) above. Finance charges are written off over the period of the agreement in reducing amounts in relation to the capital outstanding.

#### (5) Manufacturers' discounts receivable

Discounts receivable from manufacturers on the purchase of motor vehicles are deducted from the cost of acquisition of the vehicles.

#### (6) Deferred taxation

Deferred taxation is provided at the estimated rates at which future taxation will become payable on the timing differences which exist between the treatment of certain items for accounts purposes and their treatment for taxation purposes except where, in the opinion of the Directors, no liability to taxation is expected to arise in the foreseeable future.



# DIAL CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (7) Deferred maintenance income

In the case of hire contracts inclusive of vehicle maintenance, part of the rental charged to customers is in respect of maintenance costs to be incurred during the contract period. The excess of maintenance rental charged to date over expenditure incurred to date, is carried forward to the subsequent accounting periods to offset the increased maintenance costs likely to arise in the remainder of the contract period. Any excess of maintenance costs incurred on a vehicle at 31 December over the estimate of costs to be incurred by that date is written off.

#### (8) Pension costs

In arriving at the profit before taxation the costs of providing pensions are assessed and charged on a regular basis in accordance with the advice of independent professionally qualified actuaries.

#### (9) Cash flow statement

The company's ultimate holding company has included a cash flow statement in its accounts for the year ended 31 December 1993. As the company is a wholly owned subsidiary it has not prepared a cash flow statement in accordance with Financial Reporting Standard 1.

#### (10) Accounting for subsidiary undertakings

The company's ultimate holding company has prepared consolidated financial statements for the year ended 31 December 1993. As the company is a wholly owned subsidiary it has not prepared consolidated financial statements in accordance with Financial Reporting Standard 2.

### 2 TURNOVER

Turnover represents the total of the gross earnings for the year on finance leases in accordance with the policy Note 1(2) and rentals receivable from operating leases after deduction of the maintenance element of rentals in accordance with the policy in Note 1(7). The total rentals receivable from operating leases amounted to £83,294,000 (1992 – £80,712,000). The sole market supplied was the United Kingdom.

### 3 NET OPERATING EXPENSES

	<u>1993</u>	<u>1992</u>
	£'000	£'000
Distribution costs	3,260	2,951
Administrative expenses	11,827	10,435
Other operating income	<u>(714)</u>	<u>(980)</u>
	<u>14,373</u>	<u>12,406</u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993  
(CONTINUED)

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1993</u>	<u>1992</u>
	£'000	£'000

This is arrived at after charging:

(1) Interest

Interest payable on amounts due to group undertakings	20,644	26,241
Hire purchase finance charges	—	39

<u>20,644</u>	<u>26,280</u>
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(2) Other charges

Depreciation of operating lease assets	56,341	53,608
Depreciation of fixed assets	666	488

<u>57,007</u>	<u>54,096</u>
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Depreciation of operating lease assets includes a depreciation charge of £Nil (1992 – £468,000) relating to assets acquired under hire purchase contracts

Auditors' remuneration:

Audit fees including expenses	48	48
Non audit fees	—	92

<u>48</u>	<u>140</u>
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Staff costs:

Wages and salaries	6,168	5,962
Social security costs	556	512
Other pension costs	418	426

<u>7,142</u>	<u>6,900</u>
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<u>Number</u>	<u>Number</u>
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Average number of employees	294	318
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DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993  
(CONTINUED)

5 DIRECTORS' EMOLUMENTS

	<u>1993</u> £'000	<u>1992</u> £'000
Salaries including pension contributions	580	610
Analysis of Directors' emoluments (excluding pension fund contributions):		
Chairman and highest paid Director	<u>£141,389</u>	<u>£129,054</u>
Other Directors within the range:		
	<u>1993</u> Number	<u>1992</u> Number
£Nil – £5,000	1	1
£5,001 – £10,000	1	–
£10,001 – £15,000	–	1
£15,001 – £20,000	1	1
£20,001 – £25,000	1	1
£25,001 – £30,000	–	2
£30,001 – £35,000	2	–
£35,001 – £40,000	1	–
£40,001 – £45,000	–	1

6 TAXATION

(1) Taxation is based on UK Corporation Tax at a rate of 33% (1992 – 33%).

	<u>1993</u> £'000	<u>1992</u> £'000
The charge/(credit) in the profit and loss account represents:		
Corporation tax	(4,231)	193
Adjustment in respect of prior years	–	(3,548)
	<u>(4,231)</u>	<u>(3,355)</u>
Transfer to deferred taxation	7,089	2,331
	<u>2,858</u>	<u>(1,024)</u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993  
(CONTINUED)

6 TAXATION (CONTINUED)

(2) Deferred taxation:

	<u>1993</u> £'000	<u>1992</u> £'000
At 1 January 1993	2,331	—
Transfer from profit and loss account	<u>7,089</u>	<u>2,331</u>
At 31 December 1993	<u>9,420</u>	<u>2,331</u>
 <i>Analysis of timing differences:</i>		
Accelerated tax depreciation	12,429	5,407
Less other timing differences	<u>(3,009)</u>	<u>(3,076)</u>
	<u>9,420</u>	<u>2,331</u>

As at 31 December 1993 and 1992 there were no unrecognised deferred tax timing differences.

7 TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Plant equipment &amp; office furniture</u> £'000	<u>Company motor vehicles</u> £'000	<u>Total</u> £'000
At 1 January 1993	4,163	1,067	5,230
Additions during year	649	375	1,024
Disposals during year	<u>(429)</u>	<u>(673)</u>	<u>(1,102)</u>
At 31 December 1993	<u>4,383</u>	<u>769</u>	<u>5,152</u>
 <u>Depreciation</u>			
At 1 January 1993	3,468	329	3,797
Charge for year	464	202	666
Eliminated in respect of disposals	<u>(429)</u>	<u>(291)</u>	<u>(720)</u>
At 31 December 1993	<u>3,503</u>	<u>240</u>	<u>3,743</u>
 <u>Net Book Value</u>			
At 31 December 1993	<u>880</u>	<u>529</u>	<u>1,409</u>
At 31 December 1992	<u>695</u>	<u>738</u>	<u>1,433</u>

# DIAL CONTRACTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993 (CONTINUED)

### 8 INVESTMENTS IN GROUP UNDERTAKINGS

Shares at cost	<u>£'000</u>
At 1 January 1993	4,531
Disposal	<u>(4,525)</u>
At 31 December 1993	<u>6</u>

During the year the company sold its investment in Camden Motors Limited which generated a profit on disposal of £4,975,000. The company considers that there is no liability to taxation because the subsidiary was acquired by Dial Holdings Limited, the immediate holding company of Dial Contracts Limited.

At 31 December the company held directly the entire share capital of Network Vehicles Limited and Ringwest Motors Limited, both of which are registered in England.

Group accounts are not presented since the company is a wholly owned subsidiary of another company incorporated in Great Britain.

In the opinion of the Directors the value of the company's interests in its subsidiaries is not less than the amount at which it is stated in the balance sheet.

### 9 OPERATING LEASE ASSETS

<u>Costs</u>	<u>£'000</u>
At 1 January 1993	277,154
Additions	124,740
Disposals	<u>(102,977)</u>
At 31 December 1993	<u>298,917</u>
<u>Depreciation</u>	
At 1 January 1993	95,402
Charge for year	56,341
Eliminated in respect of disposals	<u>(56,800)</u>
At 31 December 1993	<u>94,943</u>
<u>Net book value</u>	
At 31 December 1993	<u>203,974</u>
At 31 December 1992	<u>181,752</u>

The net book value of operating lease assets includes an amount of £Nil (1992 – £1,816,000) in respect of assets held under hire purchase contracts.

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993  
(CONTINUED)

10 DEBTORS

	<u>1993</u> £'000	<u>1992</u> £'000
Amounts receivable within one year:		
Finance lease receivables	22,683	52,662
Hire purchase receivables	14,261	14,885
Trade debtors	8,367	10,461
Amounts owed by group undertakings	18,094	6,835
Prepayments and accrued income	2,465	1,481
Group relief receivable	4,176	4,745
	<u>70,046</u>	<u>91,069</u>
Amounts receivable after one year:		
Finance lease receivables	20,282	3,907
Hire purchase receivables	29,440	18,629
	<u>119,768</u>	<u>113,605</u>

The cost of assets purchased for leasing under finance and hire purchase agreements amounted to £33,652,000 (1992 – £35,925,000) and £32,377,000 (1992 – £22,663,000) respectively.

Total gross rentals receivable under finance leases and hire purchase agreements during the year amounted to £31,755,000 (1992 – £35,980,000).

11 CREDITORS

	<u>1993</u> £'000	<u>1992</u> £'000
Amounts falling due within one year:		
Obligations under hire purchase contracts	–	110
Trade creditors	10,802	2,021
Amounts owed to group undertakings	236,259	249,899
Other creditors including taxation and social security	5,007	3,965
	<u>252,068</u>	<u>255,995</u>
The amounts owing under the hire purchase contracts were secured on the assets financed by the contract.		
Amounts falling due after more than one year:		
Amounts owed to group undertakings	<u>9,000</u>	<u>–</u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993  
(CONTINUED)

12 ACCRUALS AND DEFERRED INCOME

	<u>1993</u> £'000	<u>1992</u> £'000
Deferred maintenance income	7,063	7,645
Rentals receivable in advance	15,724	15,191
Other accruals	<u>7,551</u>	<u>6,481</u>
	<u>30,338</u>	<u>29,317</u>

13 SHARE CAPITAL AND RESERVES

	<u>Share Capital</u> £000	<u>Share Premium</u> £000	<u>Profit &amp; Loss Account</u> £000
At 1 January 1993	222	4,403	9,068
Movement for the year	<u>—</u>	<u>—</u>	<u>10,733</u>
At 31 December 1993	<u>222</u>	<u>4,403</u>	<u>19,801</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1993</u> £'000	<u>1992</u> £'000
Profit for the financial year	10,733	5,316
Opening shareholders' funds	<u>13,693</u>	<u>8,377</u>
Closing shareholders' funds	<u>24,426</u>	<u>13,693</u>

15 CAPITAL COMMITMENTS

	<u>1993</u> £'000	<u>1992</u> £'000
Motor vehicles for future hire under operating and finance leases ordered but not delivered	<u>7,273</u>	<u>5,290</u>

## DIAL CONTRACTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1993 (CONTINUED)

#### 16 COMMITMENTS

At 31 December 1993 the company had annual commitments under operating leases as follows:

	Leasehold Property	
	1993	1992
	£'000	£'000
Expiring within one year	—	5
Expiring in over five years	685	683
	<u>685</u>	<u>688</u>

#### 17 PENSIONS

The company operates a non-contributory pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company. The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recently completed valuation was at 1 June 1990.

The principal actuarial assumptions adopted at the last valuation were that, over the long term, the average rate of interest credited to the scheme would be 1% higher than the annual increase in total pensionable remuneration. The actuarial value of the scheme at the date of valuation was £2.2 million and the actuarial valuation was sufficient to cover 116% of the benefits that had accrued to members, after allowing for expected future increase in earnings. The employer's contribution rate over the average remaining service lives of the members of the scheme takes account of the disclosed valuation.

The pension charge for the period was £418,000 (1992 — £430,000).

A valuation at 1st June 1993 has been submitted to the company and is under consideration by the scheme trustees. In the opinion of the Directors, any changes to the funding rate that may arise after the valuation has been considered will not have a significant effect on the financial statements for the year.

#### 18 ULTIMATE PARENT COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group accounts is Barclays PLC. Both companies are incorporated in Great Britain and registered in England and Wales. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from the Secretary, Johnson Smirke Building, 4 Royal Mint Court, London EC3N 4HJ.