

704749

DIAL CONTRACTS LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1992



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 1992.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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.

The results for the year of the company reflect a satisfactory improvement from last year.

On 1 January 1992, the business was merged with that of Network Vehicles Limited (also a subsidiary of Barclays PLC) and the net assets of that company were transferred to Dial Contracts Limited at net book value as at that date.

RESULTS FOR THE YEAR

The company's profit for the year from ordinary activities after taxation amounted to £5,316,000 (1991: £5,007,000 loss) 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 and 9 to the financial statements.

DIRECTORS

The Directors of the company during the year were:

JE Yardley	Chairman
CR Brightwell	
SA Bullard	
SW Clarke	
PJ Dunkley	
RM Huet-Gundill	(resigned 11 September 1992)
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.

DIAL CONTRACTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

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.

DIRECTORS' INTERESTS

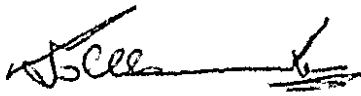
The Directors holding office at the end of the year and their beneficial interests in relevant shares or debentures as disclosed by the register kept under the provisions of Section 325 of the Companies Act 1985 are listed below, except where they were also directors of the company's immediate holding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

	Ordinary Stock Units of £1 each in Barclays PLC	
	At 31 December 1992	At 1 January 1992 or date of appointment if later
SA Bullard	-	-
SW Clarke	4,114	3,866
PJ Dunkley	2,172	2,042
JN Lewis	1,656	1,558
MR Porter	-	-

AUDITORS

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

By Order of the Board



SW Clarke
Secretary

1 October 1993

Dial House
Burston Road
London SW15 6SD

Price Waterhouse



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

We have audited the financial statements on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1992 and of its 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 Auditor

1 October 1993

DIAL CONTRACTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 1992

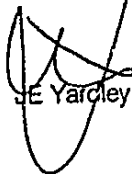
	Notes	1992 £'000	1991 £'000
TURNOVER			
COST OF SALES	2	104,238	92,981
GROSS PROFIT		<u>(61,260)</u>	<u>(50,231)</u>
Distribution costs		42,978	42,750
Administrative expenses		(2,951)	(3,058)
Exceptional item		(10,435)	(10,890)
Other operating income	3	-	(6,100)
Interest payable		980	1,252
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4(1)	<u>(26,280)</u>	<u>(30,385)</u>
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	4(2)	4,292	(6,431)
	6(1)	<u>1,024</u>	<u>1,424</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES	14	<u>5,316</u>	<u>(5,007)</u>

DIAL CONTRACTS LIMITED

BALANCE SHEET AT 31 DECEMBER 1992

	<u>Notes</u>	<u>1992</u> £'000	<u>1991</u> £'000
FIXED ASSETS			
Tangible assets	7	1,433	577
Investment in group undertakings	8	4,531	4,531
Operating lease assets	9	<u>181,752</u>	<u>167,927</u>
		187,716	173,035
		-----	-----
CURRENT ASSETS			
Debtors	10	113,605	102,931
Cash at bank and in hand		<u>15</u>	<u>62</u>
		113,620	102,993
CREDITORS: Amounts falling due within one year	11	<u>(255,995)</u>	<u>(234,955)</u>
NET CURRENT LIABILITIES		<u>(142,375)</u>	<u>(131,962)</u>
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		45,341	41,073
CREDITORS: Amounts falling due after more than one year	12	-	(11,370)
PROVISIONS FOR LIABILITIES AND CHARGES	6(2)	(2,331)	-
ACCRUALS AND DEFERRED INCOME	13	<u>(29,317)</u>	<u>(21,326)</u>
NET ASSETS		13,693	8,377
		-----	-----
CAPITAL AND RESERVES			
Called up share capital - 222,222 authorised, allotted and fully paid ordinary £1 shares	14	222	222
Share premium account	14	4,403	4,403
Profit and loss account	14	<u>9,068</u>	<u>3,752</u>
		13,693	8,377
		-----	-----

Approved by the Board on
1 October 1993


JE Yardley

CHAIRMAN

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992

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 receivables

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 1992 (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 off-set 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 1992. 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 1992. 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 in 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 £80,712,000 (1991 - £76,097,000). The sole market supplied was the United Kingdom.

3 EXCEPTIONAL ITEM

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Additional depreciation in respect of operating lease assets	-	6,100

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992 (CONTINUED)

4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	<u>1992</u>	<u>1991</u>
	£'000	£'000
<i>This is arrived at after charging:</i>		
(1) <u>Interest</u>		
Interest payable on bank overdraft	194	583
Interest payable on amounts due to group undertakings	26,047	29,684
Hire purchase finance charges	<u>39</u>	<u>118</u>
	26,280	30,385
	-----	-----
(2) <u>Other charges</u>		
	<u>1992</u>	<u>1991</u>
	£'000	£'000
Depreciation of operating lease assets	53,608	46,610
Depreciation of fixed assets	<u>488</u>	<u>749</u>
	54,096	47,359
	-----	-----
Depreciation of operating lease assets includes a depreciation charge of £468,000 (1991 - £913,000) relating to assets acquired under hire purchase contracts.		
Auditors' remuneration:		
Audit fees including expenses	48	40
Non audit fees	<u>92</u>	<u>55</u>
	140	95
	-----	-----
Staff costs:		
Wages and salaries	5,962	4,618
Social security costs	512	381
Other pension costs	<u>426</u>	<u>345</u>
	6,900	5,344
	-----	-----
	<u>Number</u>	<u>Number</u>
Average number of employees	318	274
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DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992 (CONTINUED)

5 DIRECTORS' EMOLUMENTS

	<u>1992</u> £'000	<u>1991</u> £'000
Salaries including pension contributions	610	427
Compensation for loss of office	-	26
	<u> </u>	<u> </u>
Analysis of Directors' emoluments (excluding pension fund contributions):		
Chairman and highest paid Director	£129,054	£115,057
	<u> </u>	<u> </u>
	<u>1992</u> Number	<u>1991</u> Number
Other Directors within the range:		
£Nil - £5,000	1	2
£15,001 - £20,000	-	1
£30,001 - £35,000	-	2
£45,001 - £50,000	-	1
£50,001 - £55,000	1	-
£60,001 - £65,000	1	-
£65,001 - £70,000	1	1
£70,001 - £75,000	-	1
£75,001 - £80,000	2	-
£90,001 - £95,000	1	-

6 TAXATION

Taxation is based on UK Corporation Tax at a rate of 33% (33.25%).

	<u>1992</u> £'000	<u>1991</u> £'000
(1) The charge/(credit) in the profit and loss account represents:		
Corporation tax	193	2,485
Adjustment in respect of prior years	<u>(3,548)</u>	<u>(342)</u>
	<u>(3,355)</u>	2,143
Transfer to/(from) deferred taxation	<u>2,331</u>	<u>(3,567)</u>
	<u>(1,024)</u>	<u>(1,424)</u>
	<u> </u>	<u> </u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992 (CONTINUED)

6 TAXATION (CONTINUED)

(2) Deferred taxation:

	<u>1992</u> £'000	<u>1991</u> £'000
At 1 January 1992	-	2,031
Transfer from Camden Contract Hire Limited	-	1,536
Transfer from/(to) profit and loss account	<u>2,331</u>	<u>(3,567)</u>
At 31 December 1992	<u>2,331</u>	-
Analysis of timing differences:		
Accelerated tax depreciation	5,407	1,398
Less other timing differences	<u>(3,076)</u>	<u>(1,398)</u>
	<u>2,331</u>	-

As at 31 December 1992 there were deferred tax assets not recognised amounting to ENil (1991: £1,034,000) relating to other timing differences.

7 TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Plant equipment & office furniture</u> £'000	<u>Company motor vehicles</u> £'000	<u>Total</u> £'000
At 1 January 1992	4,154	-	4,154
Transferred from operating lease assets	-	880	880
Transferred from fellow subsidiary	70	102	172
Additions during year	274	587	861
Disposals during year	<u>(335)</u>	<u>(502)</u>	<u>(837)</u>
At 31 December 1992	<u>4,163</u>	<u>1,067</u>	<u>5,230</u>
<u>Depreciation</u>			
At 1 January 1992	3,577	-	3,577
Transferred from operating lease assets	-	216	216
Transferred from fellow subsidiary	9	23	32
Charge for year	217	271	488
Eliminated in respect of disposals	<u>(335)</u>	<u>(181)</u>	<u>(516)</u>
At 31 December 1992	<u>3,468</u>	<u>329</u>	<u>3,797</u>
<u>Net Book Value</u>			
At 31 December 1992	<u>695</u>	<u>738</u>	<u>1,433</u>
At 31 December 1991	<u>577</u>	-	<u>577</u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992 (CONTINUED)

8 INVESTMENT IN GROUP UNDERTAKINGS

	<u>1992</u> £'000	<u>1991</u> £'000
Shares at cost	4,531	4,531

At 31 December the company held directly the entire share capital of Camden Motors Limited, Network Vehicles Limited and Ringwest Motors Limited, all 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>Cost</u>	<u>£'000</u>
At 1 January 1992	254,762
Company vehicles transferred to tangible fixed assets	(880)
Transferred from fellow subsidiary	30,298
Additions	98,623
Disposals	<u>(105,649)</u>
At 31 December 1992	277,154
<u>Depreciation</u>	<u> </u>
At 1 January 1992	86,835
Company vehicles transferred to tangible fixed assets	(216)
Transferred from fellow subsidiary	13,421
Charge for year	53,608
Eliminated in respect of disposals	<u>(58,246)</u>
At 31 December 1992	95,402
<u>Net book value</u>	<u> </u>
At 31 December 1992	181,752
	<u> </u>
At 31 December 1991	167,927
	<u> </u>

The net book value of operating lease assets includes an amount of £1,816,000 (1991 - £2,913,000) in respect of assets held under hire purchase contracts.

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992 (CONTINUED)

10 DEBTORS

	<u>1992</u> £'000	<u>1991</u> £'000
Amounts receivable within one year:		
Finance lease receivables	52,662	59,678
Hire purchase receivables	14,885	8,843
Trade debtors	10,461	10,277
Amounts owed by group undertakings	6,835	2,789
Prepayments and accrued income	1,481	3,905
Group relief receivable	<u>4,745</u>	<u>-</u>
	91,069	85,492
Amounts receivable after one year:		
Finance lease receivables	3,907	6,631
Hire purchase receivables	<u>18,629</u>	<u>10,808</u>
	113,605	102,931

The cost of assets purchased for leasing under finance and hire purchase agreements amounted to £35,925,000 (1991 - £38,643,000) and £22,663,000 (1991 - £16,082,000) respectively.

Total gross rentals receivable under finance leases and hire purchase agreements during the year amounted to £35,980,000 (1991 - £37,265,000).

11 CREDITORS

	<u>1992</u> £'000	<u>1991</u> £'000
Amounts falling due within one year:		
Bank overdraft	2,238	2,202
Obligations under hire purchase contracts	110	232
Trade creditors	2,021	1,342
Amounts due to group undertakings	247,661	222,205
Group relief payable	-	2,998
Other creditors including taxation and social security	<u>3,965</u>	<u>5,976</u>
	255,995	234,955

The amounts owing under the hire purchase contracts are secured on the assets financed by the contract.

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992 (CONTINUED)

12 CREDITORS

	<u>1992</u> £'000	<u>1991</u> £'000
Amounts falling due after more than one year:		
Amounts due to group undertakings	-	11,370
	<u> </u>	<u> </u>

13 ACCRUALS AND DEFERRED INCOME

	<u>1992</u> £'000	<u>1991</u> £'000
Deferred maintenance income (Note 1(7))	7,645	6,491
Rentals receivable in advance	15,191	11,484
Other accruals	<u>6,481</u>	<u>3,351</u>
	<u>29,317</u>	<u>21,326</u>

14 SHARE CAPITAL AND RESERVES

	<u>Share Capital</u> £'000	<u>Share Premium</u> £'000	<u>Profit/Loss Account</u> £'000
At 1 January 1992	222	4,403	3,752
Movement for the year	<u>-</u>	<u>-</u>	<u>5,316</u>
At 31 December 1992	<u>222</u>	<u>4,403</u>	<u>9,068</u>

15 CAPITAL COMMITMENTS

	<u>1992</u> £'000	<u>1991</u> £'000
Motor vehicles for future hire under operating and finance leases ordered but not delivered	5,290	6,357
	<u> </u>	<u> </u>

DIAL CONTRACTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1992 (CONTINUED)

16 COMMITMENTS

At 31 December 1992 the company had annual commitments under operating leases as follows:

	Leasehold Property	
	1992 £'000	1991 £'000
Expiring within one year	5	-
Expiring between two and five years inclusive	-	5
Expiring in over five years	683	683
	<u>688</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 £430,000 (1991 - £345,000).

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 EC3M 4HJ.