

**Ford Credit plc**

**Annual report and accounts  
for the year ended 31 December 1992**

**Registered no: 772784**



## Directors

I G McAllister	(Chairman)
M D Young	(Vice Chairman)
D C Flanigan	(Managing Director)
W G F Brooks	
P L S Green	
T S Murphy	
P de Rousset-Hall	
R D Warner	

## Joint Secretaries

M J Brackley  
M E Ferriss

## Registered office

Eagle Way  
Brentwood  
Essex CM13 3BW

## Head office

Jubilee House  
The Drive  
Brentwood  
Essex CM13 3AR

## Auditors

Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London WC2N 6NN

**Twenty ninth Annual Report of the Directors**

The directors submit the annual report and accounts for the year ended 31st December 1992 of Ford Credit plc, and its subsidiary undertakings as detailed on page 23.

**Change of name and adoption of new Memorandum of Association**

Special resolutions were passed at the Company's Annual General Meeting on 31 March 1993 that, with effect from 1 June 1993, the name of the Company be changed to "Ford Credit Europe plc", and that a new Memorandum of Association, in substitution for the Memorandum existing at that date, be adopted.

**Proposed European Credit Operations**

To take advantage of recent EC Directives governing financial institutions and obtain greater access to the global capital markets, Ford Motor Company (U.S.) the company's ultimate parent company plans to consolidate the ownership of its 14 European credit affiliates under Ford Credit Europe plc. The planned restructuring will improve our long-term profitability and will ensure that we are fully competitive with other European credit institutions.

**Principal Activities and Business Review**

The principal activity in which the Company and its subsidiaries are engaged is that of finance companies.

Group revenue of £492 million was £3 million lower than 1991 and profit before taxation of £67 million was £9 million higher than 1991. Profit after taxation was £15 million higher than in 1991.

The Company's revenue of £349 million was £1 million lower than 1991 and the profit before taxation of £67 million was £2 million higher than in 1991. Profit after taxation was £4 million higher than in 1991.

Further information on the annual results appears in the profit and loss account on page 6.

**Dividend**

The Company paid an interim dividend of £60,000,000 on 14 December 1992 and the directors recommend that this be considered as final for 1992.

**Directors**

The names of the present directors, all of whom have been directors for the whole year, are shown on page 1.

On 31 March 1993, Mr Peter de Rousset-Hall resigned as a director to take up an appointment with Ford Credit in Canada, such resignation to take effect on 30 April 1993.

In accordance with the Company's Articles of Association, all the directors, other than the Managing Director, retire from office at the Annual General Meeting, and being eligible, offer themselves for re-appointment.

#### **Secretary**

Mr C C Page resigned as Secretary on 1 March 1993, and Mr M J Brackley and Miss M E Ferriss were appointed Joint Secretaries with the same power and authority to act as would a sole secretary, from 1 March 1993.

#### **Change of Registered Office Address**

The Directors resolved on 31 March 1993 that, with effect from 1 June 1993, the registered office of the company will be Jubilee House, The Drive, Brentwood, Essex CM13 3AR, which is the company's principal place of business.

#### **Employee Involvement**

The Company has a recognised Employee Involvement Programme. The monthly newspaper "Ford News" is distributed free to all Company employees, as is the quarterly publication "Credit Account".

Copies of the Company's Annual Report and Accounts are also provided to all employees, together with a special employee report which describes in plain language the consolidated results of the Company and its subsidiaries.

The Company has a formal Grievance Procedure to complement its informal "open door" policy for resolving matters through local management.

#### **Employee policies**

The Company complies fully with its statutory obligations under the Disabled Persons (Employment) Acts 1944 and 1958, giving full and fair consideration to applications for employment from disabled persons having regard to their individual aptitudes and capabilities.

The Company is an equal opportunity employer.

# Ford Credit plc

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## Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the reappointment of Coopers & Lybrand as auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

*M. E. Ferriss*

M E Ferriss  
Secretary

31 March 1993

## Report of the auditors to the members of Ford Credit plc

We have audited the accounts on pages 6 to 23 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31 December 1992 and of the profit of the company and the group and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors  
London  
31 March 1993

**Profit and loss account  
for the year ended 31 December 1992**

Company		Notes	Group	
1992 £m	1991 £m		1992 £m	1991 £m
<u>349</u>	<u>350</u>		<u>492</u>	<u>495</u>
<u>67</u>	<u>65</u>		<u>67</u>	<u>58</u>
<u>67</u>	<u>65</u>	2	<u>67</u>	<u>58</u>
<u>-</u>	<u>2</u>	3	<u>-</u>	<u>6</u>
<u>67</u>	<u>63</u>		<u>67</u>	<u>52</u>
<u>60</u>	<u>70</u>	4	<u>60</u>	<u>70</u>
<u>7</u>	<u>(7)</u>		<u>7</u>	<u>(18)</u>
<u>69</u>	<u>76</u>		<u>103</u>	<u>121</u>
<u>76</u>	<u>69</u>		<u>110</u>	<u>103</u>

## Balance sheet at 31 December 1992

Company			Notes	Group	
1992	1991			1992	1991
£m	£m			£m	£m
126	174	Use of funds			
		Fixed assets	5	351	486
1,203	1,109	Advances to customers		1,480	1,377
219	231	Securitised assets	6	219	231
1,422	1,340	Total advances to customers	7	1,699	1,608
1,548	1,514			2,050	2,094
214	295	Amounts owed by subsidiary undertakings	8	-	-
652	853	Amounts owed by other group undertakings	9	652	853
32	84	Vehicles awaiting resale		32	84
21	18	Sundry debtors		23	24
53	56	Cash and cash ratio deposit	10	56	57
2,520	2,820			2,813	3,112
(20)	(25)	Less:		(23)	(31)
(60)	(5)	Deferred income		-	-
(58)	(24)	Amounts owed to subsidiary undertakings		(58)	(24)
(228)	(248)	Amounts owed to other group undertakings	9	(234)	(253)
2,154	2,518	Sundry creditors		2,498	2,804
235	235	Source of funds			
-	-	Share capital	11	235	235
76	69	Capital reserve arising on consolidation		1	1
		Retained profits		110	103
311	304			346	339
10	10	Loan capital	12	11	11
321	314	Total shareholders' funds		357	350
564	938	Long and medium term loans	14	564	938
250	250	Notes issued financing securitised assets	6	250	250
1,015	1,009	Short term loans	15	1,322	1,256
4	7	Deferred income		5	10
2,154	2,518			2,498	2,804

The accounts on pages 6 to 23 were approved by the board of Directors on 31 March 1993 and were signed on its behalf by:

*I G McAllister*  
I G McAllister - Director

*M L Young*  
M L Young - Director



**Cash flow statement for the year ended 31 December 1992**

	Notes	1992 £m	1991 £m
Net cash flow from operating activities	16	623	(109)
Returns on investments and servicing of finance			
Dividends paid		(60)	(70)
Interest paid		(252)	(250)
		<hr/>	<hr/>
Net cash outflows from returns on investments and servicing of finance		(312)	(320)
Taxation			
Corporation tax paid		0	(6)
		<hr/>	<hr/>
Total tax paid		0	(6)
Investing activities			
Purchase of tangible fixed assets		(3)	(2)
Sale of tangible fixed assets		2	3
		<hr/>	<hr/>
Net cash (outflow)/inflow from investing activities		(1)	1
		<hr/>	<hr/>
Net cash inflow/(outflow) before financing		310	(434)
Financing			
Issue of ordinary share capital		0	35
New loans over 3 months		3,256	3,524
Repayments of loans		(3,430)	(3,446)
New bills of exchange		544	520
Repayment of bills of exchange		(656)	(464)
Issue of securitised notes		0	250
		<hr/>	<hr/>
Net cash (outflow)/inflow from financing		(286)	419
		<hr/>	<hr/>
Decrease in cash and cash equivalents	17	(24)	(15)

**Notes to the accounts - 31 December 1992****1 Accounting policies**

The accounts have been prepared in accordance with the historic cost convention and with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

**(a) Basis of consolidation**

The consolidated profit and loss account and balance sheet include the accounts of the company and its subsidiary undertakings up to the end of the financial year. For commercial reasons the accounting reference dates of Ford Lease Financing Limited (31 March), Automotive Finance Limited (30 June) and Ford Automotive Leasing Limited (30 September) are not coterminous with that of Ford Credit plc. Accordingly the management accounts of those companies for the year ended 31 December are included in these accounts.

Ford Credit Funding plc is accounted for as a subsidiary undertaking and consolidated accordingly, as Ford Credit plc has a participating interest in Ford Credit Funding plc and both companies are managed on a unified basis. Details of the parent's investment in Ford Credit Funding plc are more fully disclosed in note 27.

Intra group revenue and profits are eliminated on consolidation and all revenue and profit figures relate to external transactions only. The excess of the value of net assets of subsidiary undertakings at the date of acquisition over their purchase price is included as a capital reserve arising on consolidation in the consolidated balance sheet.

**(b) Cashflows**

The company has adopted the provisions of FRS1 in these financial statements. Accordingly, a cash flow statement has replaced the statement of source and application of funds presented in the accounts to 31 December 1991.

**(c) Revenue**

Revenue comprises interest receivable on finance leases, commercial loans, personal loans and conditional sale transactions and rentals on operating leases. Interest on commercial and personal loans is accrued on a day by day basis. Interest on conditional sale transactions and finance leases is earned over the life of the agreements and is credited to income on a descending scale using the "sum of the digits" method. Rental income on operating leases is credited to income as received.

**Accounting policies - continued**
**(d) Depreciation**

Depreciation on operating lease assets is charged on an ascending scale so as to write off the cost of the asset to its estimated residual value. The period of the leases range from six months to five years.

Depreciation on other fixed assets is calculated so as to write off the cost of fixed assets over the expected useful lives of the assets concerned. The depreciation rates used are as follows:

	Method	Annual depreciation rate
Freehold buildings	Reducing balance	6.0%
Office equipment	Reducing balance	17.2%
Company motor vehicles	Straight line	36.0%

**(e) Securitised assets and related financing**

Securitised assets are recorded in the accounts according to the substance of the securitisation transaction. Where, in the opinion of the directors, the risks and rewards which the group has in the assets remain substantially unaffected by the securitisation transaction, the assets are included separately on the group's balance sheet together with the related financing. Income arising from the assets and the related financing costs are included within revenue and interest expense respectively in the profit and loss account.

**(f) Finance and operating leases**

Assets purchased by customers under conditional sale agreements and leased under finance leases are included in advances to customers at the gross amount receivable less unearned finance charges. Assets leased to customers under operating leases are included in fixed assets.

**(g) Deferred income**

Deferred income is credited to revenue over the period of the lease on a descending scale using the "sum of the digits" method.

**(h) Deferred taxation**

Provision is made for deferred taxation on the liability method at the appropriate rates of corporation tax, except in respect of any tax reductions which are likely to continue for the foreseeable future.

**Accounting policies - continued**

**(i) Pension costs**

The pension costs in respect of employees who are members of the Ford Motor Company Limited group's pension arrangements are recognised in the profit and loss account on a systematic basis, with the aim of spreading the cost of pensions over members' working lives.

**(j) Bills of exchange payable**

The discount on bills of exchange issued by the company is treated as prepaid interest and amortised to the profit and loss account over the term of the bills.

**2 Profit before taxation**

The profit before taxation is stated after:

	<b>Company</b>		<b>Group</b>	
	<b>1992</b>	<b>1991</b>	<b>1992</b>	<b>1991</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Charging:</b>				
Rentals payable under operating leases:				
On plant and equipment	21	25	21	25
On office leasehold premises	972	961	972	961
Depreciation	19,430	24,519	90,453	84,913
Interest on loans repayable within five years	220,595	223,394	245,271	248,679
Interest on amounts owed to group undertakings	6,491	833	6,491	833
Directors' emoluments including pension contributions (Note 26)		205		205
Auditors' remuneration for audit services	111	122	139	150
Losses incurred and provision for bad and doubtful debts (net of recoveries)	7,324	26,949	16,244	33,338
	<u>7,324</u>	<u>26,949</u>	<u>16,244</u>	<u>33,338</u>
<b>Crediting:</b>				
Interest on amounts owed by subsidiary undertakings	34,939	58,868	-	-
Interest on amounts owed by other group undertakings	98,368	35,973	98,368	35,973
	<u>98,368</u>	<u>35,973</u>	<u>98,368</u>	<u>35,973</u>

Remuneration of the company's auditors for provision of non-audit services to the company and its subsidiary undertakings amounted to £14,000 relating to regulatory compliance work.

### 3 Taxation

The charge/(credit) for taxation on the profit for the year is made up as follows:

	Company		Group	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Corporation tax charge at 33% (1991: 33¼%)	27,720	27,067	50,113	33,479
Less group relief claimed for nil payment	(27,720)	(27,067)	(50,113)	(33,479)
	<hr/>	<hr/>	<hr/>	<hr/>
Adjustment to prior year tax charge	-	1,995	2	5,670
	<hr/>	<hr/>	<hr/>	<hr/>
Relief of overseas taxation	(55)	(24)	(55)	(24)
Overseas taxation	110	48	110	48
	<hr/>	<hr/>	<hr/>	<hr/>
	55	2,019	57	5,694
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The corporation tax charge on the results for the year has been increased due to the disclaimer of capital allowances.

No deferred tax has been provided during the year as, in the opinion of the directors, a deferred tax liability is unlikely to crystallise (see note 13).

### 4 Dividend

	Company		Group	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Dividend of 25.5p (1991: 35.0p) per ordinary share in issue	60,000	70,000	60,000	70,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The dividend was declared and paid on 14 December 1992.

## 5 Fixed assets

	Company				Group			
	Freehold land and buildings £'000	Office equipment £'000	Motor vehicles £'000	Total £'000	Freehold land and buildings £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost:</b>								
At 1 January 1991	6,161	9,209	187,173	202,543	6,161	9,209	573,348	588,718
Additions	2	710	65,634	66,346	2	710	368,490	369,202
Disposals	-	142	114,740	114,882	-	142	492,985	493,127
<b>At 31 December 1992</b>	<b>6,163</b>	<b>9,777</b>	<b>138,067</b>	<b>154,007</b>	<b>6,163</b>	<b>9,777</b>	<b>448,853</b>	<b>464,793</b>
<b>Depreciation:</b>								
At 1 January 1991	911	4,141	23,983	29,035	911	4,141	98,162	103,214
Charge for the year	236	1,130	18,065	19,431	236	1,130	89,087	90,453
Disposals	-	72	20,853	20,925	-	72	80,247	80,319
<b>At 31 December 1992</b>	<b>1,147</b>	<b>5,199</b>	<b>21,195</b>	<b>27,541</b>	<b>1,147</b>	<b>5,199</b>	<b>107,002</b>	<b>113,348</b>
<b>Net book value at 31 December 1992</b>	<b>5,016</b>	<b>4,578</b>	<b>116,872</b>	<b>126,466</b>	<b>5,016</b>	<b>4,578</b>	<b>341,851</b>	<b>351,445</b>
<b>Net book value at 31 December 1991</b>	<b>5,250</b>	<b>5,068</b>	<b>163,190</b>	<b>173,508</b>	<b>5,250</b>	<b>5,068</b>	<b>475,186</b>	<b>485,504</b>

Motor vehicles include vehicles held for use under operating leases as follows:

	Company		Group	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Cost	135,891	184,875	446,677	571,050
Accumulated depreciation	20,681	23,281	106,488	97,460
<b>Net book value</b>	<b>115,210</b>	<b>161,594</b>	<b>340,189</b>	<b>473,590</b>

## 6 Securitised assets and related financing

During 1991 the company sold approximately £250 million receivables due under certain motor vehicle conditional sale agreements, whilst retaining substantially all of the risks and rewards in relation to these receivables.

Three companies were established solely for the purpose of administering the securitisation: Drive Securities Public Limited Company purchased the agreements, which were assigned to Drive Trustee Limited, and financed the purchase by issuing £250 million of floating rate notes; Drive Trustee Limited administers the allocation of monies received from customers; and Drive Securities (Holdings) Limited is the parent of the other two companies. Ford Credit plc has no interest in the shares of Drive Securities (Holdings) Limited or of its two subsidiaries.

Drive Trustee Limited holds the monies received from customers in a bank deposit account until each quarterly interest payment falls due on the floating rate notes. That company then pays the monies held to Drive Securities Public Limited Company *sufficient first to meet interest payments on the notes and other expenses and secondly either to purchase further conditional sale agreements from Ford Credit plc or to redeem a proportion of the outstanding notes.* Any surplus after meeting the obligations of Drive Securities Public Limited Company is paid to Ford Credit plc.

The floating rate notes are secured by the amounts due from customers under the conditional sale agreements and by the cash held on deposit by the Drive Securities (Holdings) Limited group. Two types of note were issued. £230 million of Class A notes carry interest at LIBOR plus 0.45% and £20 million of Mezzanine notes carry interest at LIBOR plus 1.25%. The notes are repayable in November 1996: however, the directors of Drive Securities Public Limited Company may elect to redeem the notes at earlier dates provided there are sufficient funds available to that company.

During 1992 Drive Securities plc purchased £208 million conditional sale agreements from Ford Credit plc; a further £50m was purchased in February 1993.

## 7 Advances to customers

These comprise advances under finance leases, both securitised and non-securitised conditional sale agreements and other commercial and personal loans as follows:

	Company		Group	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Finance lease receivables	16,671	15,675	79,149	86,449
Conditional sale receivables	593,627	653,244	593,627	653,244
Other advances to customers	204,753	98,908	348,862	224,143
	<u>815,051</u>	<u>767,827</u>	<u>1,021,638</u>	<u>963,836</u>
<b>Amounts falling due after more than one year:</b>				
Finance lease receivables	16,558	18,649	61,328	72,666
Conditional sale receivables	590,386	553,601	590,386	553,601
Other advances to customers	107	140	25,321	17,725
	<u>607,051</u>	<u>572,390</u>	<u>677,035</u>	<u>643,992</u>
	<u>1,422,102</u>	<u>1,340,217</u>	<u>1,698,673</u>	<u>1,607,828</u>
<b>Value of advances made during the year under conditional sale agreements</b>	<u>916,932</u>	<u>878,172</u>	<u>916,932</u>	<u>878,172</u>
<b>Cost of assets acquired during the year for use under finance leases</b>	<u>16,730</u>	<u>19,436</u>	<u>84,405</u>	<u>96,095</u>
<b>Aggregate rentals receivable during the year:</b>				
Under finance leases	16,821	76,528	90,598	157,180
Under operating leases	33,572	41,045	145,457	151,699
<b>Aggregate value of conditional sale repayments</b>	<u>1,163,637</u>	<u>1,358,224</u>	<u>1,163,637</u>	<u>1,358,224</u>

## 8 Amounts owed by subsidiary undertakings

Amounts owed by subsidiary undertakings bear interest at rates varying throughout the year based on prevailing market interest rates.



## **9 Sale or return vehicle financing**

The company has an arrangement whereby it provides finance to Ford Motor Company Limited for vehicles supplied to dealers on a sale or return basis. Under this arrangement vehicles are consigned by Ford Motor Company Limited to the company on sale or return, the company in turn consigns the vehicles to dealers, also on sale or return. At 31 December 1992 the total receivable due from Ford Motor Company Limited under the sale or return vehicle financing arrangement was £611,596,000 (1991: £712,631,000) and is included in the balance sheet as part of the amounts owed by other group undertakings. The receivable balance will be repaid from monies received by the company from dealers on purchase of the vehicles.

As part of the arrangement, dealers are required to deposit funds with the company. At 31 December 1992 these deposits amounted to £158,406,000 (1991: £160,532,000) and are included in sundry creditors in the balance sheet. The company has a contractual right to offset these funds against monies due from dealers in the event of default.

## **10 Cash and cash ratio deposit**

The cash and cash ratio deposit for the company and group include £46,799,000 (1991: £38,621,000) held in bank deposit accounts of the Drive Securities (Holdings) Limited group. These balances form part of the arrangements for the securitisation described more fully in note 6. The amounts are held as security for the holders of the notes financing the securitised assets.

## **11 Share capital**

The share capital consists of:

	1992 £'000	1991 £'000
Authorised:		
300,000,000 shares of £1 each	<u>300,000</u>	<u>300,000</u>
Alotted, called up and fully paid:		
235,000,000 shares of £1 each	<u>235,000</u>	<u>235,000</u>

## 12 Loan capital

	Company		Group	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Three loans from Ford Motor Company Limited (Company - two loans). The loans are interest free, subordinated to third party loans and have no fixed repayment terms.	5,500	5,500	5,700	5,700
One loan from Ford Motor Company Limited which is subordinated to third party loans. This loan carries interest at LIBOR plus 3/8% and is repayable with five years notice.	5,000	5,000	5,000	5,000
	<u>10,500</u>	<u>10,500</u>	<u>10,700</u>	<u>10,700</u>

## 13 Deferred taxation

The analysis of the provision and the full potential liability is as follows:

	Company				Group			
	Provision		Full potential liability		Provision		Full potential liability	
	1992	1991	1992	1991	1992	1991	1992	1991
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	-	12,808	17,445	-	-	43,399	70,217
Other timing differences	-	-	(9,446)	(9,657)	-	-	(11,517)	(10,848)
	<u>-</u>	<u>-</u>	<u>3,362</u>	<u>7,788</u>	<u>-</u>	<u>-</u>	<u>31,882</u>	<u>59,369</u>

The company and the group have prepared forecasts which indicate that, as at the balance sheet date, a deferred tax liability is unlikely to crystallise. Accordingly, in the opinion of the directors, no deferred tax provision is required.

**14 Long and medium term loans**

	Company		Group	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Repayable from one to five years				
Payable to subsidiary undertakings	115,000	325,000	-	-
Payable to third parties	448,750	612,750	563,750	937,750
	<u>563,750</u>	<u>937,750</u>	<u>563,750</u>	<u>937,750</u>

All loans are repayable otherwise than by instalments and carry commercial rates of interest ranging between 6.6% and 13.0%.

**15 Short term loans**

	Company		Group	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Due in less than one year				
Bank overdrafts and loans	802,178	847,179	802,178	847,179
Bills of exchange payable	-	-	307,000	247,000
Payable to subsidiary undertakings	210,000	160,000	-	-
Other short term loans	3,362	2,201	213,362	162,201
	<u>1,015,540</u>	<u>1,009,380</u>	<u>1,322,540</u>	<u>1,256,380</u>

The loans carry commercial rates of interest ranging between 6.0% and 13.8%.

**16 Reconciliation of operation profit to net cash inflow from operating activities**

	1992 £m	1991 £m
Profit before taxation	67	58
Decrease/(increase) in sundry debtors	1	(15)
Decrease/(increase) in amounts owed by group	201	(768)
Decrease/(increase) in vehicles awaiting resale	52	3
(Decrease)/increase in sundry creditors	(19)	158
(Decrease)/increase in amounts owed to group	34	1
(Decrease)/increase in provision for future losses	(6)	6
Depreciation	91	85
Interest paid	252	250
Loss on sale of fixed assets	7	3
Movement on deferred income	(13)	(27)
Effect on exchange rate changes	2	-
	<u>669</u>	<u>(246)</u>
Net increase/(decrease) in advances to customers	(84)	263
Purchase of operating lease assets	(366)	(710)
Sale of operating lease assets	404	584
	<u>623</u>	<u>(109)</u>

**17 Analysis of changes in cash and cash equivalents during the year**

	1992 £m	1991 £m
Balance at 1 January	(98)	(83)
Net cash outflow before the effect of foreign exchange rate changes	24	(15)
Effect of foreign exchange rate changes	(2)	-
	<u>(76)</u>	<u>(98)</u>
Balance at 31 December	<u>(76)</u>	<u>(98)</u>

**18 Analysis of the balances of cash and cash equivalents as shown in the balance sheet**

	1992	1991	Change in year
	£m	£m	£m
Cash and cash ratio deposit	56	57	(1)
Less: Bank of England cash ratio deposit	(5)	(5)	-
Loans with original maturity of 3 months or less	(77)	(132)	55
Bank overdrafts	(50)	(18)	(32)
	<u>(76)</u>	<u>(98)</u>	<u>22</u>

**19 Analysis of changes in financing during the year**

	1992		1991	
	Share capital £m	Loan capital £m	Share capital £m	Loan capital £m
Balance at 1 January	235	11	200	11
Cash inflow/(outflow) from financing	-	-	35	-
Balance at 31 December	<u>235</u>	<u>11</u>	<u>235</u>	<u>11</u>

**20 Future lease commitments**

Annual rentals under non-cancellable operating leases for buildings which expire:

	Company		Group	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
- within one year	171	183	171	183
- in the second to fifth years inclusive	697	590	697	590
- after five years	-	51	-	51
	<u>868</u>	<u>824</u>	<u>868</u>	<u>824</u>

## 21 Staff Costs

	Company		Group	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Wages and salaries	15,920	15,474	15,920	15,474
Social security costs	1,124	1,091	1,124	1,091
Other pension costs (see note 22)	1,121	1,001	1,121	1,001
	<u>18,165</u>	<u>17,566</u>	<u>18,165</u>	<u>17,566</u>
Average monthly number of employees	<u>722</u>	<u>845</u>	<u>722</u>	<u>845</u>

## 22 Pension costs

Employees of the company are members of the Ford Salaried Contributory Pension Fund. The total pension cost for the company in 1992 was £1,121,000 (1991: £1,001,000). Members of this Fund are contracted out of the State Earnings Related Pension Scheme.

The pension arrangements provide employees with benefits related to pay and service at the rates defined in the Rules of the Fund. Contributions to the Fund by Ford Motor Company Limited group companies are at the rates recommended by the Fund's consulting actuaries. These rates are based on the actuaries' regular assessments of the financial position of the Fund, which are carried out in accordance with the Trust Deed and Rules. The assets of the Fund are invested and are held separately from those of group companies. The Fund holds no investment in the company, its ultimate holding company, or any subsidiary.

Details of the actuarial valuation of the Fund are disclosed in the accounts of Ford Motor Company Limited. The latest actuarial valuation showed an excess in the actuarial value of the Fund's assets over the benefits accrued to members. Credit is taken for this excess over the remaining working lives of the members of fund.

## 23 Loans to directors

The following secured mortgage loans have been advanced to directors who held office during the year:

	Maximum balance during year £	1 January 1992 £	31 December 1992 £
P L S Green	<u>28,108</u>	<u>28,019</u>	<u>Nil</u>

Interest on the loan to Mr Green is charged at commercial mortgage rates.

## 24 Immediate and ultimate holding companies

The company is a wholly owned subsidiary of Ford Motor Company Limited, a company registered in England and Wales. The ultimate holding company is Ford Motor Company, a company incorporated in the United States of America.

Copies of the Ford Motor Company Limited consolidated accounts may be obtained from The Secretary, Ford Motor Company Limited, Eagle Way, Brentwood, Essex, CM13 3BW. Copies of the Ford Motor Company consolidated accounts may be obtained from Ford Motor Company, The American Road, Dearborn, Michigan 48121, United States of America.

## 25 Basis of preparation of accounts

Ford Credit plc is a banking company which is the parent of the banking group. The consolidated accounts of the banking group have been prepared in accordance with section 255A of, and Schedule 4A (as modified by Schedule 9) to, the Companies Act 1985. The accounts of the Company have been prepared in accordance with Section 255 of, and Schedule 9 to, the Companies Act 1985.

## 26 Directors emoluments

	1992 £'000	1991 £'000
Salary payments (including other benefits)	<u>375</u>	<u>205</u>

The chairman did not receive any emoluments from the company or its subsidiaries for his services to the company (1991: Nil).

	1992 £'000	1991 £'000
Emoluments (excluding pensions contributions) of the highest-paid director	<u>96</u>	<u>68</u>

The number of directors (including the chairman and the highest-paid director) who received fees and other emoluments (excluding pension contributions) whilst working wholly or mainly within the United Kingdom was:

	Directors 1992	1991
Nil - £5,000	3	7
£5,001 - £10,000	-	1
£10,001 - £15,000	-	1
£15,001 - £20,000	2	1
£20,001 - £25,000	1	-
£25,001 - £30,000	-	1
£30,001 - £35,000	2	-

**27    Subsidiary undertakings**

	Beneficial interest	Reference date	Country of registration	Principal activity
Ford Lease Financing Limited	100%	31 March	England	Finance company
Automotive Finance Limited	100%	30 June	England	Finance company
Ford Automotive Leasing Limited	100%	30 September	England	Finance company
Ford Financial Trust Limited	100%	31 December	England	Dormant
Ford Credit Funding plc	33 1/3%	31 December	England	Finance company

The shares held in subsidiary undertakings are all ordinary shares except for Ford Credit Funding plc where the company holds 100% of the issued 'A' class shares and 100% of the issued 'C' class shares. These represent 98% of the issued share capital and 33 1/3% of the voting rights of that company.