

**N.F.C. SECRETARIAL SERVICES LIMITED**

Directors' Report and Accounts

for the year ended

26 September 1998



Company registration number 817717

## N.F.C. SECRETARIAL SERVICES LIMITED

### **Directors**

J W C Letchford  
J C Hunter  
Mrs V E Corrigan  
T Fallowfield

### **Directors' Report**

The directors present their report and accounts for the year ended 26 September 1998.

#### 1 Activities

The company did not trade during the year under review.

#### 2 Directors

The directors at the date of this report are shown above. The following changes in the board occurred during the year:

M B Woolhouse ceased to be a director on 27 February 1998.

#### 3 Directors' interests

According to the registers kept by the company and by other group companies under Section 325 of the Companies Act 1985 the directors at the end of the financial year had the following interests in the ordinary shares of the ultimate parent company, NFC plc:

	Ordinary shares	
	27.9.97 (shares of 5p each)	26.9.98 (shares of 6 2/3p each)
J W C Letchford	7,046	5,790
J C Hunter	977	977
V E Corrigan	25,694	28,470
T Fallowfield	-	1,154

In addition to the above, there were the following interests in shares allocated during the year as deferred bonus shares (in respect of bonus earned relating to the results for 1996/97) and in shares conditionally allocated under the NFC Long Term Incentive Plan (LTIP).

	Deferred bonus shares		Shares conditionally allocated under LTIP	
	1996/97 award (shares of 5p each)	At 26.9.98 (shares of 6 2/3p each)	March 1998 (shares of 5p each)	At 26.9.98 (shares of 6 2/3p each)
J W C Letchford	4,247	4,428	41,165	41,766
J C Hunter	-	-	-	-
V E Corrigan	-	-	-	-
T Fallowfield	1,913	1,995	14,632	14,845

**N.F.C. SECRETARIAL SERVICES LIMITED**

**DIRECTORS' REPORT (Continued)**

The deferred shares are held in trust for the director concerned and released after three years, provided that the director has not left service voluntarily during that period, in which case the shares will be forfeited. In accordance with approved performance criteria, the shares conditionally allocated under the LTIP, or a proportion of them, may be released on or after the third anniversary of the conditional allocation. Dividends paid by NFC will be invested in NFC shares and released with the appropriate deferred shares or conditional allocation. Dividends paid by NFC will be invested in NFC shares and released with the appropriate deferred shares or conditional allocation.

Share options at 26 September 1998:

	Scheme	Number	Date of Grant	Exercise Price Pence	Exercise Dates	
					Earliest	Latest
J W C Letchford	Executive	89,552	19 Jan 94	268	19 Jan 97	19 Jan 04
J W C Letchford	Savings	119	21 Jul 94	189	21 Jul 99	21 Jul 04
J W C Letchford	Savings	227	14 Jul 95	163	14 Jul 00	14 Jul 05
J W C Letchford	Executive	17,045	15 Dec 95	132	15 Dec 98	15 Dec 05
J W C Letchford	Savings	1,000	14 Jun 96	166	14 Jun 01	14 Jun 06
J W C Letchford	Savings (1996 5yrs)	11,274	10 Oct 96	153	01 Dec 01	01 Jun 02
J W C Letchford	Executive	12,500	19 Dec 96	176	19 Dec 99	19 Dec 06
Mrs V E Corrigan	Savings (1996 5yrs)	4,509	10 Oct 96	153	01 Dec 01	01 Jun 02
Mrs V E Corrigan	Savings (1998 5yrs)	7,840	03 Aug 98	132	01 Oct 03	01 Apr 04
Mrs V E Corrigan	Savings	250	21 Jul 94	189	21 Jul 99	21 Jul 04
Mrs V E Corrigan	Savings	227	14 Jul 95	163	14 Jul 00	14 Jul 05
Mrs V E Corrigan	Savings	1,000	14 Jun 96	166	14 Jun 01	14 Jun 06
T Fallowfield	Executive	31,441	14 Jul 95	163	14 Jul 98	14 Jul 05
T Fallowfield	Executive	15,437	14 Jun 96	166	14 Jun 99	14 Jun 06
T Fallowfield	Savings (1996 3 yrs)	3,823	10 Oct 96	153	01 Dec 99	01 Jun 00

The Executive options were granted under The NFC 1992 Executive Share Option Scheme and the Savings options were granted as a result of participation in NFC share savings schemes. The timing of any exercise of Executive options and the proportion that may be exercised are subject to specific performance criteria relating to NFC shares. In accordance with the criteria, the NFC Remuneration and Nomination Committee has determined that 25% of the options granted in July 1994 and July 1995 are exercisable. There were no exercises of options during the year.

**N.F.C. SECRETARIAL SERVICES LIMITED**

**DIRECTORS' REPORT (Continued)**

4 Directors' responsibilities

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit for that financial year. The accounts must be prepared in accordance with the formats and disclosures required by the Act and with applicable accounting standards. The directors must also ensure that the accounts are based on appropriate accounting policies, consistently applied, and are supported by reasonable and prudent judgements and estimates. The directors are also responsible for the maintenance of adequate accounting records, for safeguarding the assets of the group and for taking reasonable steps for preventing and detecting fraud and other irregularities.

The directors confirm that the accounts on pages 5 and 6 meet the requirements noted above and that the directors have met the responsibilities referred to above, notwithstanding that the company is dormant.

5 Auditors

In accordance with the provisions of section 250 of the Companies Act 1985 the company has appointed no auditors.

By order of the Board



T Fallowfield  
Secretary

Registered Office:      The Merton Centre  
45 St Peters Street  
Bedford MK40 2UB

Date: 9 April 1999

N.F.C. SECRETARIAL SERVICES LIMITED

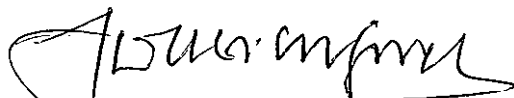
**Balance Sheet**

**At 26 September 1998**

	26.9.98 £	27.9.97 £
<b>Capital and reserves</b>		
Called up share capital	2	2
Profit and loss account deficit	(2)	(2)
	<hr/>	<hr/>
	-	-
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The company was a dormant company within the meaning of section 250 of the Companies Act 1985 throughout the financial year ending at the date of this balance sheet.

Approved by the Board on 9 April 1999  
and signed on its behalf

  
J.W.C. LETCHFORD

**N.F.C. SECRETARIAL SERVICES LIMITED**

**Notes to the accounts for the year ended 26 September 1998**

**1 ACCOUNTING CONVENTION**

These accounts have been prepared under the historical cost convention and are in accordance with applicable UK accounting standards.

**2 PROFIT AND LOSS ACCOUNT**

The company did not trade during the year and accordingly it made neither a profit nor a loss. No profit and loss account has therefore been prepared. In addition there are no recognised gains or losses relating to the year.

**3 SHARE CAPITAL**

	26.9.98 £	27.9.97 £
Shares of £1 each		
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid	<u>2</u>	<u>2</u>

**4 CONTINGENT LIABILITIES**

For VAT purposes the company is grouped with fellow subsidiary undertakings in the NFC VAT Group; under this arrangement the company has a joint and several liability for amounts owed by these undertakings to H.M. Customs and Excise.

**5 ULTIMATE PARENT COMPANY**

The ultimate parent company and the parent undertaking of the largest and smallest groups of undertakings for which group accounts are drawn up and of which the company is a member is NFC plc, which is registered in England and Wales. Copies of NFC plc's accounts can be obtained from The Merton Centre, 45 St Peters Street, Bedford MK40 2UB.