

FAF LEASING LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1993

*FAF Leasing Limited is registered in England No. 1628589  
Registered Office: Lombard House, 3 Princess Way, Redhill Surrey, RH1 1NP.*

FAF LEASING LIMITED

DIRECTORS

M A Maberly      (Chairman)  
H M Roome

SECRETARY

J C Barnes

FAF LEASING LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the accounts for the year ended 31 March 1993.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is the provision of credit finance to the farming community by way of leasing.

**BUSINESS REVIEW**

The net amount financed under all forms of financial agreement entered into during the year was £10,237,000 (1992 - £11,377,000).

The profit on ordinary activities before taxation was £707,000 (1992 - £321,000) on which there was a taxation charge of £232,000 (1992 - £98,000). The Directors propose to pay a dividend of £470,000 (1992 - £220,000) and that the balance of £5,000 (1992 - £3,000) be dealt with as shown in the Profit and Loss Account on page 5.

The Company traded profitably during the year under review and the Directors expect that it will continue to do so.

**DIRECTORS**

The present members of the Board are shown on page 1.

Mr H M Roome was appointed to the Board on the 14th September 1992, and will offer himself for re-election at the forthcoming Annual General Meeting.  
Mr A N Morley resigned from the Board on the 14th September 1992.

**DIRECTORS' INTERESTS**


All of the Directors at the year end were also Directors of the holding company, Farming and Agricultural Finance Limited, and were not therefore required to notify the Company of their interests in the share and loan capital of Group undertakings.

**AUDITORS**

A resolution for the re-appointment of KPMG Peat Marwick as auditors is to be proposed at the Annual General Meeting.

Pursuant to S386 of Companies Act 1985, a resolution is to be put to the forthcoming Annual General Meeting which, if passed, would result in the Company not being required to re-appoint its auditors annually. KPMG Peat Marwick would then continue as the Company's auditors.

By Order of the Board.

  
J C Barnes  
Secretary  
1993

16 December 1993

FAF LEASING LIMITED

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit and 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; and
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

*AUDITORS' REPORT TO THE MEMBERS OF FAF LEASING LIMITED*

*We have audited the financial statements on pages 5 to 10.*

*RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS.*

*As described on page 3 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 of 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 at 31 March 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.*



*KPMG Peat Marwick  
Chartered Accountants  
Registered Auditors*

*Bristol*

*Date 4 January 1994*

FAF LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1993

	Notes	1993 <u>£'000</u>	1992 <u>£'000</u>
Turnover	2	2,642	2,897
Operating charges	3	(483)	(925)
		<u>2,159</u>	<u>1,972</u>
Interest payable	5	(1,452)	(1,651)
Profit on ordinary activities before taxation		<u>707</u>	<u>321</u>
Taxation charge on profit on ordinary activities	6	(232)	(98)
Profit on ordinary activities after taxation		<u>475</u>	<u>223</u>
Proposed ordinary dividend		<u>(470)</u>	<u>(220)</u>
Profit for the financial year transferred to general reserve	9	<u>5</u>	<u>3</u>

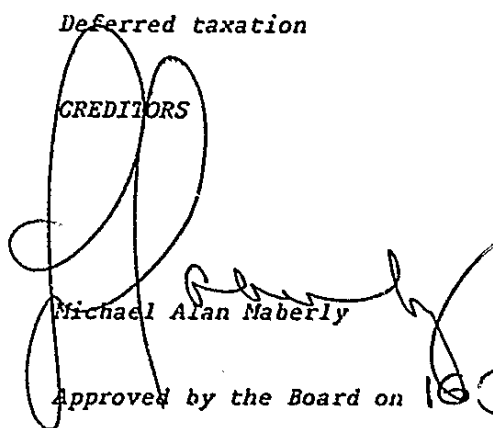
The notes on pages 7 to 10 form part of these accounts.

FAF LEASING LIMITED

BALANCE SHEET

AT 31 MARCH 1993

	Notes	1993	1992
		<u>£'000</u>	<u>£'000</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Debtors falling due within one year	7	8,946	10,266
Debtors falling due within more than one year	7	12,543	12,504
		<u>21,489</u>	<u>22,770</u>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	8	-	-
General reserve	9	589	584
		<u>589</u>	<u>584</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	1,593	1,653
CREDITORS	11	19,307	20,533
		<u>21,489</u>	<u>22,770</u>

  
Michael Alan Maberly

Director

Approved by the Board on 16 December 1993

The notes on pages 7 to 10 form part of these accounts.

FAF LEASING LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared upon the basis of historical cost and in accordance with applicable accounting standards.

(b) Finance Leases

Assets made available to third parties under finance leases are treated as amounts receivable.

Income from finance leases is credited to Profit and Loss Account in proportion to the funds invested.

(c) Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that a taxation liability is expected to arise in the future.

(d) Cash Flow Statements

In accordance with the exemptions allowed under the provisions of FRS1, no Cash Flow Statement has been presented.

2. TURNOVER

Turnover represents lease income credited to the Profit and Loss Account during the year, all of which arises in the United Kingdom.

	1993	1992
	<u>£'000</u>	<u>£'000</u>
Net amounts financed under finance leases entered into during the year	<u>10,237</u>	<u>11,377</u>
Aggregate rentals receivable during the year under finance leases	<u>9,991</u>	<u>11,006</u>

3. OPERATING CHARGES

There is no charge in this years accounts for auditors' remuneration as the fee is to be charged in the holding company's accounts (1992 - £ nil).



FAF LEASING LIMITED

NOTES TO THE ACCOUNTS (Continued)

4. DIRECTORS' REMUNERATION AND INTERESTS

No emoluments were paid to any Director during the year (1992 - £ nil).

None of the Directors had any material interest in any contract of significance in relation to the business of the Company.

5. INTEREST PAYABLE

	1993	1992
	<u>£'000</u>	<u>£'000</u>
On bank loans and overdrafts, and other loans wholly repayable within five years:		
From National Westminster Bank Group undertakings	<u>1,452</u>	<u>1,651</u>

6. TAXATION CHARGE

	1993	1992
	<u>£'000</u>	<u>£'000</u>
UK corporation tax based on the results for the year at 33%	(292)	(400)
Transfer from Deferred taxation (note 10)	60	299
Revision in respect of prior years:		
UK corporation tax	400	462
Group relief payable	(400)	(459)
	<u>(232)</u>	<u>(98)</u>

Provision for group relief is made on the assumption that the claimant Company will make payment to the surrendering companies at rates appropriate to the periods in which the losses claimed are utilised.

FAF LEASING LIMITED

NOTES TO THE ACCOUNTS (Continued)

10. DEFERRED TAXATION

	<u>£'000</u>
Balance at 1 April 1992	1,653
Transfer to Profit and Loss Account (note 6)	(60)
	<hr/>
Balance at 31 March 1993	<u>1,593</u>

Full potential liability in respect of:

Capital allowances	1,606
Other timing differences	(13)
	<hr/>
	<u>1,593</u>

11. CREDITORS

	1993	1992
	<u>£'000</u>	<u>£'000</u>
Amounts falling due wholly within one year:		
Amounts owed to National Westminster Bank Group undertakings	14,910	16,347
Trade creditors	3,635	3,566
Current corporation tax	292	400
Proposed dividend	470	220
	<hr/>	<hr/>
	<u>19,307</u>	<u>20,533</u>

12. HOLDING COMPANY

The immediate holding company is Farming and Agricultural Finance Limited, the ultimate holding company is National Westminster Bank Plc; both are registered in England and Wales.

Copies of the accounts of Farming and Agricultural Finance Limited can be obtained from:

The Secretary, Farming and Agricultural Finance Limited, Lombard House, 3 Princess Way, Redhill, Surrey, RH1 1NP.

Copies of the accounts of National Westminster Bank Plc can be obtained from:

The Secretary, National Westminster Bank Plc, 41 Lothbury, London, EC2P 2BP.