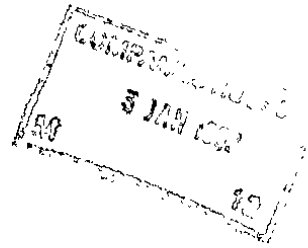


1628589



FAF LEASING LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1991

*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)
A N Morley

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 1991.

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 £10,552,000 (1990 - £14,289,000).

The profit on ordinary activities before taxation was £223,000 (1990 - £284,000) on which there was a taxation credit of £86,000 (1990 - charge £98,000). The Directors recommend the payment of a dividend of £300,000 (1990 - £180,000) and that the balance of £9,000 (1990 - £6,000) be dealt with as shown in the Profit and Loss Account on page 4.

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.

The following were appointed to the Board:

Mr M A Maberly on 21 September 1990.

Mr A N Morley on 22 November 1990.

The following have retired from the Board:

Mr C W Finnerty on 21 September 1990.

Mr M W Turner on 22 November 1990.

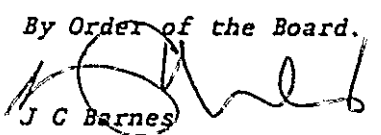
DIRECTORS' INTERESTS

All 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.

By Order of the Board.


J C Barnes
Secretary

25 November 1991

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF

FAF LEASING LIMITED

We have audited the accounts on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 March 1991 and of the profit and source and application of funds of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bristol

25 NOV 1991



Chartered Accountants
Registered Auditor

FAF LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1991

	Notes	1991 <u>£'000</u>	1990 <u>£'000</u>
Turnover	2	3,061	2,355
Operating charges	3	(736)	(479)
		<u>2,325</u>	<u>1,876</u>
Interest payable	5	(2,102)	(1,592)
Profit on ordinary activities before taxation		<u>223</u>	<u>284</u>
Taxation credit/(charge) on profit on ordinary activities	6	86	(98)
Profit on ordinary activities after taxation		<u>309</u>	<u>186</u>
Proposed ordinary dividend		<u>(300)</u>	<u>(180)</u>
Profit for the financial year transferred to general reserve	9	<u>9</u>	<u>6</u>

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

FAF LEASING LIMITED

BALANCE SHEET

AT 31 MARCH 1991

	Notes	1991	1990
		<u>£'000</u>	<u>£'000</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Debtors	7	23,010	25,235
		<u>23,010</u>	<u>25,235</u>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	8	-	-
General reserve	9	581	572
		<u>581</u>	<u>572</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	1,952	2,479
CREDITORS	11	20,477	22,184
		<u>23,010</u>	<u>25,235</u>

Michael Alan Maberly

Director

Approved by the Board on 25 November 1991

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

FAF LEASING LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1991

	1991	1990
	<u>£'000</u>	<u>£'000</u>
SOURCE OF FUNDS		
Profit on ordinary activities after taxation	309	186
Adjustments for non-cash items:		
Transfer from Deferred taxation	(527)	(284)
TOTAL ABSORBED BY OPERATIONS	(218)	(98)
APPLICATION OF FUNDS		
Dividends paid	(180)	(380)
	<u>(398)</u>	<u>(478)</u>
DECREASE IN WORKING CAPITAL		
Debtors	(2,225)	3,120
Creditors	1,827	(3,598)
	<u>(398)</u>	<u>(478)</u>

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.

2. TURNOVER

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

	1991	1990
	<u>£'000</u>	<u>£'000</u>
Net amounts financed under finance leases entered into during the year	<u>10,552</u>	<u>14,289</u>
Aggregate rentals receivable during the year under finance leases	<u>11,357</u>	<u>10,560</u>

3. OPERATING CHARGES

	1991	1990
	<u>£'000</u>	<u>£'000</u>
Operating charges include the following:		
Auditors' remuneration	<u>-</u>	<u>3</u>

FAF LEASING LIMITED

NOTES TO THE ACCOUNTS (Continued)

4. DIRECTORS' REMUNERATION AND INTERESTS

No emoluments were paid to any Director during the year (1990 - £ nil).

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

In 1986 the Company entered into a lease agreement with West Midland Timber Treatment Company, a partnership in which one of the partners is Lord Boyne, a Director of the ultimate holding Company, for assets with a total cost of £20,800 involving rentals at normal commercial rates aggregating £24,478 over five years.

5. INTEREST PAYABLE

	1991	1990
	<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>2,102</u>	<u>1,592</u>

6. TAXATION CREDIT/(CHARGE)

	1991	1990
	<u>£'000</u>	<u>£'000</u>
UK corporation tax based on the results for the year at 34% (1990 - 35%).	(462)	(383)
Transfer from Deferred taxation (note 10)+	527	284
Revision in respect of prior years:		
UK corporation tax	384	1,042
Group relief payable *	(363)	(1,041)
	<u>86</u>	<u>(98)</u>

+Transfer from Deferred taxation includes a credit of £131,000 (1989-nil) in respect of the changes in rates of UK Corporation tax from 35% to 33%.

*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)

7. DEBTORS

	1991	1990
	<u>£'000</u>	<u>£'000</u>
Amounts falling due:		
i) Wholly within one year		
Amounts owed by National		
Westminster Bank Group		
undertakings	23	102
Trade debtors	816	796
Other debtors	390	997
	<hr/>	<hr/>
	1,229	1,895
	<hr/>	<hr/>
ii) Not wholly within one year		
Net investment in finance		
leases due:		
Within one year	9,836	9,948
In more than one year	11,945	13,392
	<hr/>	<hr/>
	21,781	23,340
	<hr/>	<hr/>
Total debtors	<u>23,010</u>	<u>25,235</u>

8. CALLED UP SHARE CAPITAL

	1991		1990	
	<u>Authorised</u>	<u>Allotted issued and fully paid</u>	<u>Authorised</u>	<u>Allotted issued and fully paid</u>
Ordinary shares of				
£1 each	<u>£100</u>	<u>£100</u>	<u>£100</u>	<u>£100</u>

9. GENERAL RESERVE

	<u>£'000</u>
Balance at 1 April 1990	572
Transfer from Profit and Loss Account	9
	<hr/>
Balance at 31 March 1991	<u>581</u>

FAF LEASING LIMITED

NOTES TO THE ACCOUNTS (Continued)

10. DEFERRED TAXATION

	<u>£'000</u>
Balance at 1 April 1990	2,479
Transfer to Profit and Loss Account (note 6)	(527)
	<hr/>
Balance at 31 March 1991	<u>1,952</u>
The above balance represents the full potential liability in respect of the following:	
	<u>£'000</u>
Capital allowances	1,969
Other	(17)
	<hr/>
	<u>1,952</u>

11. CREDITORS

	1991	1990
	<u>£'000</u>	<u>£'000</u>
Amounts falling due wholly within one year:		
Amounts owed to National Westminster Bank Group undertakings	16,445	16,869
Trade creditors	3,271	4,749
Current corporation tax	461	383
Proposed dividend	300	180
Other creditors	-	3
	<hr/>	<hr/>
	<u>20,477</u>	<u>22,184</u>

12. HOLDING COMPANY

The immediate holding Company is Farming and Agricultural Finance Limited, the ultimate holding Company being 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, 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.