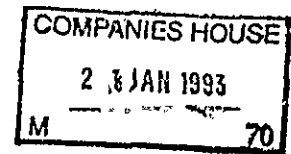


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PAP LEASING LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1992



FAF LEASING LIMITED

DIRECTORS

M A Maberly      (Chairman)  
H M Roome

SECRETARY

P A Stranaghan

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

# FAP LEASING LIMITED

## DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the accounts for the year ended 31 March 1992.

### 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 £11,377,000 (1991 - £10,552,000).

The profit on ordinary activities before taxation was £321,000 (1991 - £223,000) on which there was a taxation charge of £98,000 (1991 - credit £86,000). An interim dividend of £220,000 has been paid. The Directors propose that the balance of £3,000 (1991 - £9,000) 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.

Mr M A Maberly retires by rotation and, being eligible, offers himself for re-election.

Mr H M Roome was appointed to the Board on 14 September 1992.

Mr A N Morley retired from the Board on 14 September 1992.

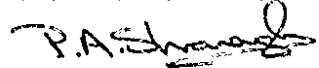
### DIRECTORS' INTERESTS

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.

By Order of the Board.

  
P A Stranaghan  
Secretary

11 January 1993

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

FAF LEASING LIMITED

We have audited the accounts on pages 4 to 9 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 1992 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bristol  
*16th February* 1993

*KPMG Peat Marwick*  
Chartered Accountants  
Registered Auditors

FAP LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1992

	Notes	1991 <u>£'000</u>	1990 <u>£'000</u>
Turnover	2	2,897	3,061
Operating charges	3	(925)	(736)
		<u>1,972</u>	<u>2,325</u>
Interest payable	5	(1,651)	(2,102)
Profit on ordinary activities before taxation		<u>321</u>	<u>223</u>
Taxation (charge)/credit on profit on ordinary activities	6	(98)	86
Profit on ordinary activities after taxation		<u>223</u>	<u>309</u>
Proposed ordinary dividend		<u>(220)</u>	<u>(300)</u>
Profit for the financial year transferred to general reserve	9	<u><u>3</u></u>	<u><u>9</u></u>

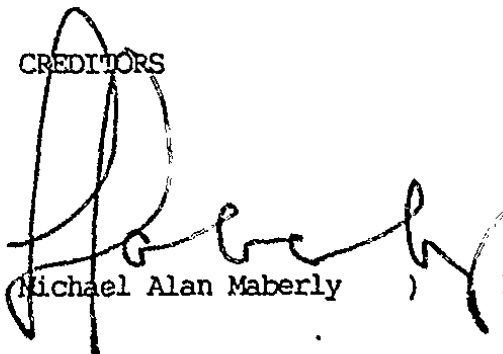
The notes on pages 6 to 9 form part of these accounts.

FAP LEASING LIMITED

BALANCE SHEET

AT 31 MARCH 1992

	Notes	1992	1991
		<u>£'000</u>	<u>£'000</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Debtors	7	22,770	23,010
		<u>22,770</u>	<u>23,010</u>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	8	-	-
General reserve	9	584	581
		<u>584</u>	<u>581</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	1,653	1,952
CREDITORS	11	20,533	20,477
		<u>22,770</u>	<u>23,010</u>

  
Michael Alan Maberly ) Director

Approved by the Board on 11 January 1993

The notes on pages 6 to 9 form part of these accounts.

FAP 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) The Company has adopted FRS1 (cash flow statements). No cash flow statement has been presented as the Company is a wholly-owned subsidiary undertaking of a UK Company whose consolidated financial statements include a consolidated cash flow statement dealing with the cash flows of the Group.

2. TURNOVER

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

	1992	1991
	<u>£'000</u>	<u>£'000</u>
Net amounts financed under finance leases entered into during the year	<u>11,377</u>	<u>10,552</u>
Aggregate rentals receivable during the year under finance leases	<u>11,006</u>	<u>11,357</u>

3. OPERATING CHARGES

There is no charge in this year's accounts for auditors' remuneration as the fee is to be charged in the holding Company's accounts (1991 - £ nil).

PAF LEASING LIMITED

NOTES TO THE ACCOUNTS (Continued)

4. DIRECTORS' REMUNERATION AND INTERESTS

No emoluments were paid to any Director during the year (1991 - £ 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

	1992	1991
	<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>1,651</u>	<u>2,102</u>

6. TAXATION (CHARGE)/CREDIT

	1992	1991
	<u>£'000</u>	<u>£'000</u>
UK corporation tax based on the results for the year at 33% (1991 - 34%).	(400)	(462)
Transfer from Deferred taxation (note 10)	299	527
Revision in respect of prior years:		
UK corporation tax	462	384
Group relief payable	(459)	(363)
	<u>(98)</u>	<u>86</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.



FAP LEASING LIMITED

NOTES TO THE ACCOUNTS (Continued)

7. DEBTORS

	1992	1991
	<u>£'000</u>	<u>£'000</u>
Amounts falling due:		
i) Wholly within one year		
Amounts owed by National Westminster Bank Group undertakings	126	23
Trade debtors	745	816
Other debtors	815	390
	<hr/>	<hr/>
	1,686	1,229
	<hr/>	<hr/>
ii) Not wholly within one year		
Net investment in finance leases due:		
Within one year	8,580	9,836
In more than 1 year and less than 5 years	12,162	11,945
In more than 5 years	342	-
	<hr/>	<hr/>
	21,084	21,781
	<hr/>	<hr/>
Total debtors	<u>22,770</u>	<u>23,010</u>

8. CALLED UP SHARE CAPITAL

	1992		1991	
	<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 1991	581
Transfer from Profit and Loss Account	3
	<hr/>
Balance at 31 March 1992	<u>584</u>

FAP LEASING LIMITED

NOTES TO THE ACCOUNTS (Continued)

10. DEFERRED TAXATION

	<u>£'000</u>
Balance at 1 April 1991	1,952
Transfer to Profit and Loss Account (note 6)	(299)
	<hr/>
Balance at 31 March 1992	<u>1,653</u>

The above balance represents the full potential liability in respect of the following:

	1992	1991
	<u>£'000</u>	<u>£'000</u>
Capital allowances	1,669	1,969
Other	(16)	(17)
	<hr/>	<hr/>
	<u>1,653</u>	<u>1,952</u>

11. CREDITORS

	1992	1991
	<u>£'000</u>	<u>£'000</u>
Amounts falling due wholly within one year:		
Amounts owed to National Westminster Bank Group undertakings	16,347	16,445
Trade creditors	3,566	3,271
Current corporation tax	400	461
Proposed dividend	220	300
	<hr/>	<hr/>
	<u>20,533</u>	<u>20,477</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, 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.

FAP LEASING LIMITED

FOR THE YEAR ENDED 31 MARCH 1992

Inter group Liability Comprises:

	£
Farming and Agricultural Finance Limited	<u>16,346,588</u>

Inter group Debtor Comprises:

	£
NWB/LNC Group Relief (per Tax Department)	<u>125,988</u>