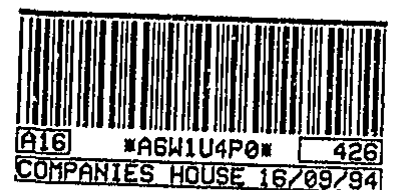


1919512

ROVER ACCEPTANCE LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1993



Rover Acceptance Limited is registered in England and Wales No. 1919512  
Registered Office : 3 Princess Way, Redhill, Surrey, RH1 1NP

ROVER ACCEPTANCE LIMITED

DIRECTORS

CW Finnerty  
JG Woodhouse

SECRETARY

JC Barnes

## ROVER ACCEPTANCE LIMITED

### DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31 December 1993.

#### **PRINCIPAL ACTIVITY**

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

#### **BUSINESS REVIEW**

The net amount financed under all forms of financial agreements entered into during the year was £40,006,000 (1992 : £31,671,000).

The profit on ordinary activities before taxation was £3,716,000 (1992 : £4,478,000) on which there was a taxation charge of £1,209,000 (1992 : £1,379,000). The Directors recommend the payment of a dividend of £2,507,000 (1992 : £3,095,000) and that the balance of £nil (1992 : £4,000) be dealt with as shown in the Profit and Loss Account on page 6.

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

#### **FIXED ASSETS**

The movement in fixed assets is given in note 7.

#### **DIRECTORS**

The members of the Board throughout the year are as shown on page 1.

The Directors are not required to retire by rotation nor at the first Annual General Meeting following appointment.

#### **DIRECTORS' INTERESTS**

All the Directors at the year end were also Directors of the holding company, Rover Finance Holdings Limited, and were not therefore required to notify the Company of their interests in the share and loan capital of National Westminster Bank Plc Group undertakings.

ROVER ACCEPTANCE LIMITED

DIRECTORS' REPORT (Continued)

AUDITORS

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

By Order of the Board



- 5 SEP 1994

John C Barnes  
Secretary

## ROVER ACCEPTANCE 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 or loss 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;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF

ROVER ACCEPTANCE LIMITED

We have audited the financial statements on pages 6 to 12.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 4, 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 as at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Birmingham

5<sup>th</sup> September 1994

*KPMG Peat Marwick*

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditors

**ROVER ACCEPTANCE LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1993**

|   | <u>Notes</u> | <u>1993</u><br><u>£'000</u> | <u>1992</u><br><u>£'000</u> |
|---|--------------|-----------------------------|-----------------------------|
| Turnover  | 2            | 20,453                      | 29,291                      |
| Depreciation on tangible fixed assets                         | 7            | (13,493)                    | (17,581)                    |
| Other operating charges                                       | 3            | <u>(2,037)</u>              | <u>(1,932)</u>              |
|   |              | 4,923                       | 9,778                       |
| Interest payable  | 5            | <u>(1,207)</u>              | <u>(5,300)</u>              |
| Profit on ordinary activities before taxation                 |              | 3,716                       | 4,478                       |
| Taxation charge on profit on ordinary activities              | 6            | <u>(1,209)</u>              | <u>(1,379)</u>              |
| Profit on ordinary activities after taxation                  |              | 2,507                       | 3,099                       |
| Proposed ordinary dividend                                    |              | <u>(2,507)</u>              | <u>(3,095)</u>              |
| Surplus for the financial year transferred to general reserve | 10           | <u>-</u>                    | <u>4</u>                    |

The movement in reserves is shown in Note 10.

**RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses other than the profit attributable to the shareholders of the Company of £2,507,000 in the year ended 31 December 1993 and of £3,099,000 in the year ended 31 December 1992.

The notes on pages 8 to 12 form part of these financial statements.

ROVER ACCEPTANCE LIMITED

BALANCE SHEET

AT 31 DECEMBER 1993

|   | <u>Notes</u> | <u>£'000</u> | <u>1993</u><br><u>£'000</u> | <u>1992</u><br><u>£'000</u> |
|---|--------------|--------------|-----------------------------|-----------------------------|
| <b><u>ASSETS</u></b>                              |              |              |                             |                             |
| <b>FIXED ASSETS</b>                               |              |              |                             |                             |
| Tangible assets                                   | 7            |              | 71,413                      | 73,024                      |
| <b>CURRENT ASSETS</b>                             |              |              |                             |                             |
| Debtors   |              |              |                             |                             |
| Due within one year                               | 8            | 86,527       |                             | 102,923                     |
| Due after more than one year                      | 8            | <u>1,988</u> |                             | <u>3,016</u>                |
|   |              |              | <u>88,515</u>               | <u>105,939</u>              |
|   |              |              | <u>159,928</u>              | <u>178,963</u>              |
| <b><u>LIABILITIES</u></b>                         |              |              |                             |                             |
| <b>CAPITAL AND RESERVES</b>                       |              |              |                             |                             |
| Called up share capital                           | 9            |              | -                           | -                           |
| General reserve                                   | 10           |              | <u>14</u>                   | <u>14</u>                   |
|   |              |              | 14                          | 14                          |
| <b>PROVISIONS FOR LIABILITIES<br/>AND CHARGES</b> |              |              |                             |                             |
| Deferred taxation                                 | 12           |              | 4,979                       | 5,183                       |
| <b>CREDITORS</b>                                  |              |              |                             |                             |
| Amounts falling due within<br>one year            | 13           |              | <u>154,935</u>              | <u>173,766</u>              |
|   |              |              | <u>159,928</u>              | <u>178,963</u>              |

The financial statements were approved at a meeting of the Board of Directors on  
- 5 SEP 1994 and signed on its behalf by:

  
John Graham Woodhouse

Director

The notes on pages 8 to 12 form part of these financial statements.



## ROVER ACCEPTANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements 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 the Profit and Loss Account in proportion to the funds invested.

(c) Operating Leases

Assets held for use in operating leases are recorded as fixed assets.

Income after deducting depreciation is included in the Profit and Loss Account either to give a constant periodic return on the operating lease fixed asset throughout the period of the lease, or on a straight line basis over the period of the lease which varies between six months and five years.

(d) Depreciation

Assets held for use in operating leases:

Depreciation is calculated either on a rising scale, or on a straight line basis, so as to write assets down to their estimated residual value over the period of the lease which varies between six months and five years.

(e) 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.

(f) Cash Flow Statement

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

## ROVER ACCEPTANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 2. TURNOVER

- (i) Turnover represents lease income credited to the Profit and Loss Account during the year, all of which arises in the United Kingdom and is from continuing activities.

|   | <u>1993</u><br><u>£'000</u> | <u>1992</u><br><u>£'000</u> |
|---|-----------------------------|-----------------------------|
| (ii) Net amounts financed under all forms of financial agreements entered into during the year were as follows: |                             |                             |
| Finance leases  | 1,739                       | 1,609                       |
| Operating leases  | <u>38,267</u>               | <u>30,062</u>               |
|   | <u>40,006</u>               | <u>31,671</u>               |
| (iii) Aggregate rentals receivable during the year were as follows:   |                             |                             |
| Finance leases  | 3,060                       | 5,701                       |
| Operating leases  | <u>19,767</u>               | <u>27,605</u>               |
|   | <u>22,827</u>               | <u>33,306</u>               |

#### 3. OTHER OPERATING CHARGES

Other operating charges include loss on disposal of Fixed Assets amounting to £1,333,000 (1992 : £1,503,000).

*There is no charge in this year's financial statements for auditors' remuneration as the fee is to be charged in the holding company's financial statements (1992 : £nil).*

#### 4. DIRECTORS' REMUNERATION AND INTERESTS

No emoluments were paid to any Director in respect of their services to the Company during the year (1992 : £nil).

None of the Directors had any material interest in any contract of significance other than in the ordinary course of trade.

#### 5. INTEREST PAYABLE

|   | <u>1993</u><br><u>£'000</u> | <u>1992</u><br><u>£'000</u> |
|---|-----------------------------|-----------------------------|
| On bank loans and overdrafts, and other loans wholly repayable within five years: |                             |                             |
| From National Westminster Bank Plc Group undertakings                             | <u>1,207</u>                | <u>5,300</u>                |

ROVER ACCEPTANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

|   | <u>1993</u><br><u>£'000</u> | <u>1992</u><br><u>£'000</u> |
|---|-----------------------------|-----------------------------|
| <b>6. TAXATION CHARGE</b>                                   |                             |                             |
| UK Corporation tax based on the results for the year at 33% | (1,606)                     | (8,971)                     |
| Transfer from deferred taxation (note 12)                   | <u>384</u>                  | <u>7,585</u>                |
|   | (1,222)                     | (1,386)                     |
| Adjustments in respect of prior years.                      |                             |                             |
| Group relief payable  | (8,778)                     | (5,379)                     |
| Deferred tax (note 12)                                      | (180)                       | (204)                       |
| UK Corporation tax  | <u>8,971</u>                | <u>5,590</u>                |
|   | <u>(1,209)</u>              | <u>(1,379)</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.

**7. TANGIBLE FIXED ASSETS**

|   | <u>Assets held for<br/>use in operating<br/>leases</u><br><br><u>£'000</u> |
|---|--|
| <u>Cost</u>                               |  |
| At 1 January 1993                         | 95,707   |
| Additions                                 | 38,267   |
| Disposals                                 | <u>(39,450)</u>  |
| At 31 December 1993                       | <u>94,524</u>  |
| <u>Depreciation</u>                       |  |
| At 1 January 1993                         | 22,683   |
| Charge for the year                       | 13,493   |
| Disposals                                 | <u>(13,065)</u>  |
| At 31 December 1993                       | <u>23,111</u>  |
| <u>Net book value at 31 December 1993</u> | <u>71,413</u>  |
| <u>Net book value at 1 January 1993</u>   | <u>73,024</u>  |

ROVER ACCEPTANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

|   | <u>1993</u><br><u>£'000</u> | <u>1992</u><br><u>£'000</u> |
|---|-----------------------------|-----------------------------|
| 8. DEBTORS  |                             |                             |
| Amounts falling due:  |                             |                             |
| i) Within one year  |                             |                             |
| Amounts owed by National Westminster<br>Bank Plc Group undertakings | 83,082                      | 94,112                      |
| Trade Debtors   | 710                         | 3,838                       |
| Net investment in finance leases                                    | <u>2,735</u>                | <u>4,973</u>                |
|   | 86,527                      | 102,923                     |
| ii) After more than one year  |                             |                             |
| Net investment in finance leases                                    | <u>1,988</u>                | <u>3,016</u>                |
| Total debtors   | <u>88,515</u>               | <u>105,939</u>              |
| 9. CALLED UP SHARE CAPITAL  |                             |                             |
|   | <u>1993</u>                 | <u>1992</u>                 |
|   | <u>Authorised</u>           | <u>Allotted issued</u>      |
|   | <u>£</u>                    | <u>and fully paid</u>       |
|   | <u>£</u>                    | <u>£</u>                    |
| Ordinary shares<br>of £1 each                                       | <u>100</u>                  | <u>100</u>                  |
|   |                             |                             |
| 10. GENERAL RESERVE   |                             | <u>£'000</u>                |
| Balance at 1 January 1993   |                             | 14                          |
| Transfer from Profit and Loss Account                               |                             | -                           |
| Balance at 31 December 1993   |                             | <u>14</u>                   |
| 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS              |                             |                             |
|   | <u>1993</u><br><u>£'000</u> | <u>1992</u><br><u>£'000</u> |
| Profit attributable to members of the<br>Company                    | 2,507                       | 3,099                       |
| Dividends   | <u>(2,507)</u>              | <u>(3,095)</u>              |
| Net addition to shareholders' funds                                 | -                           | 4                           |
| Opening shareholders' funds   | <u>14</u>                   | <u>10</u>                   |
| Closing shareholders' funds   | <u>14</u>                   | <u>14</u>                   |

ROVER ACCEPTANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. DEFERRED TAXATION

|  |              |
|--|--------------|
|  | <u>£'000</u> |
| Balance at 1 January 1993                    | 5,183        |
| Transfer to Profit and Loss Account (note 6) | <u>(204)</u> |
| Balance at 31 December 1993                  | <u>4,979</u> |

The above balances represent the full potential liability in respect of capital allowances.

13. CREDITORS

|   |                |                |
|---|----------------|----------------|
|   | <u>1993</u>    | <u>1992</u>    |
|   | <u>£'000</u>   | <u>£'000</u>   |
| Amounts falling due wholly within one year: |                |                |
| Amounts owed to National Westminster        |                |                |
| Bank Plc Group undertakings                 | 141,293        | 151,764        |
| Trade creditors                             | 9,529          | 9,936          |
| Current corporation tax                     | 1,606          | 8,971          |
| Proposed dividend                           | <u>2,507</u>   | <u>3,095</u>   |
|   | <u>154,925</u> | <u>173,766</u> |

14. ULTIMATE HOLDING COMPANY

The immediate holding Company is Rover Finance Holdings Ltd, the ultimate holding company being National Westminster Bank Plc; both are registered in England and Wales.

Copies of the financial statements of Rover Finance Holdings Ltd can be obtained from:

The Secretary, Rover Finance Holdings Ltd, 3 Princess Way, Redhill, Surrey, RH1 1NP.

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

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