

Company No: 2548026

**Poppyhurst Limited**

**Report and accounts**

31 December 1997



## **Report and accounts**

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## Directors' report

The Directors present their report together with the audited accounts of the Company for the year ended 31 December 1997.

### Principal activity

The principal activity of the Company is to act as security trustee for an aerospace financing transaction.

### Results and dividends

The profit for the year on ordinary activities before taxation amounts to £5 (1996:loss £17). The Directors do not recommend the payment of a dividend.

### Directors appointments and resignations

The Directors of the Company who held office during the financial year were as follows:

NA Burrough	(appointed 8 December 1997)
AN Guthrie	
MJJ Kelly	(resigned 4 November 1997)
RAH Morrow	
GP Smith	

### Directors Interests

The interests, all beneficial, of those who were directors at 31 December 1997 in the ordinary shares of National Westminster Bank Plc were:

		Ordinary shares of £1 each Share options					
	As at 1 January 1997 or date of appointment if later	As at 31 December 1997	As at 1 January 1997 or date of appointment if later	Granted during the year (exercisable between 2000 and 2003)		Exercised during the year	As at 31 December 1997
				Options	Price (p)	Options	Price (p)
NA Burrough	1,035	1,035	1,450	-	-	-	-
AN Guthrie	-	-	695	326	634	-	-
RAH Morrow	-	862	2,191	326	634	862	261
GP Smith	-	-	214	-	-	-	-

Options outstanding are exercisable at share prices between 399p and 634p per share. Options granted under the National Westminster Bank Plc Executive Share Option Schemes are exercisable subject to the achievement of stretching performance conditions.

## **Directors' report** *(continued)*

### **Medium term equity plan**

During 1997, certain NatWest Bank Group employees were granted potential awards under the National Westminster Bank Plc Medium Term Equity Plan. This is a type of Employee Share Ownership Plan funded by National Westminster Bank Plc and administered by an independent trustee. The awards are subject to a stretching performance condition.

As at 31 December 1997, 1,411,552 (1996:1,234,032) shares were held by the independent trustee for the Plan and, in the terms of the trust deed setting up the Plan, all employees and Directors are deemed to have an interest as potential discretionary beneficiaries in those ordinary shares.

### **Qualifying employee share ownership trust**

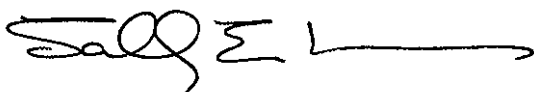
In October 1997 National Westminster Bank Plc established a Qualifying Employee Share Ownership Trust (QUEST) to operate in connection with the National Westminster Bank Plc Savings Related Share Option Scheme. The trustee of the QUEST is NatWest QUEST Limited, a wholly-owned subsidiary.

As at 31 December 1997 1,566,065 ordinary shares were held by the trustee. In the terms of the trust deed setting up the QUEST, all employees and executive directors are deemed to have an interest as potential discretionary beneficiaries in those ordinary shares.

### **Auditors**

The Company has passed an Elective Resolution to dispense with the obligation to appoint auditors annually; accordingly KPMG Audit Plc remain in office.

On behalf of the Board



**SE Lewis**  
*Secretary*

20 August 1998

## **Directors' statement of responsibilities for financial reporting**

The following statement, which should be read in conjunction with the Report of the Auditors on the following page, is made to enable shareholders to distinguish the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare, for each financial year, financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for that financial year.

The directors confirm that the financial statements set out on pages 6 to 9 have been prepared on the going concern basis and consider that in preparing those financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Board of Directors is responsible for the Company's system of internal financial control. The responsibility for its day-to-day operation is delegated to executive management which has established and disseminated clearly defined Company policies and standards. The Company's system of internal financial control is designed to provide reasonable, but not absolute, assurance

- as to the reliability and integrity of the accounts;
- that assets are safeguarded and only authorised transactions are entered into;
- that fraud and other irregularities are prevented and detected.

In devising internal financial controls, the Board has regard to the materiality of the relevant financial risk, the likelihood of the risk crystallising and the costs of the control.

The system of internal control is subject to close scrutiny by management and internal audit.

For and on behalf of the Board of Directors



**GP Smith**  
*Director*



KPMG Audit Plc  
PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## Report of the Auditors to the members of Poppyhurst Limited

We have audited the financial statements on pages 5 to 8.

### 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, on 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 the 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 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

*20 August* 1998

## **Profit and loss account**

*for the year ended 31 December 1997*

	Note	1997 £	1996 £
Exchange gain/(loss)		5	(17)
<b>Profit/(loss) on ordinary activities before taxation</b>		5	(17)
Taxation	4	45	11
<b>Retained profit/(loss) for the financial year</b>		50	(6)
Retained profit brought forward		138	144
Retained profit carried forward		188	138

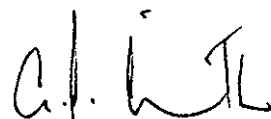
The results above all relate to continuing operations. The Company has no recognised gains or losses other than those included in the profit and loss account above.

## Balance sheet

at 31 December 1997

	Note	1997 £	1996 £
<b>Current assets</b>			
Other debtors		188	183
Cash at bank		100	100
		<hr/>	<hr/>
		288	283
Creditors: amounts falling due within one year	5	-	(45)
		<hr/>	<hr/>
<b>Net assets</b>		288	238
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	6	100	100
Profit and loss account		188	138
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		288	238
		<hr/>	<hr/>

The financial statements on pages 5 to 8 were approved by the Board of Directors on 20 August 1998 and were signed on its behalf by:



GP Smith  
Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and transactions are translated at average rates of exchange for the year. Exchange differences on translation are included in the profit and loss account.

#### *Cash flow statement*

The Company has not prepared a cash flow statement because it is exempt from doing so under Paragraph 2.1 of Financial Reporting Standard 1 (revised).

### 2 Remuneration of Directors

None of the Directors received any remuneration in respect of their directorship of the Company.

### 3 Staff numbers and costs

The Company does not have any employees.

### 4 Taxation

	1997 £	1996 £
Group relief	-	(11)
Prior year adjustment	(45)	-
	<u>(45)</u>	<u>(11)</u>

## Notes (continued)

### 5 Creditors: amounts falling due within one year

	1997 £	1996 £
Amounts owed to parent and fellow subsidiary undertakings	-	45
	<u>          </u>	<u>          </u>

### 6 Called up share capital

	1997 £	1996 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>

### 7 Share Capital, Movement in Reserves and Reconciliation of Movements in Shareholders' Funds

	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 31 December 1996	100	138	238
Profit for the financial year	-	48	48
	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 31 December 1997	100	186	286
	<u>          </u>	<u>          </u>	<u>          </u>

### 8 Holding company

The Company is a wholly owned subsidiary undertaking whose parent is National Westminster Bank Plc. The largest and smallest group in which the results of the Company are consolidated is National Westminster Bank Plc which is registered in England and Wales.

The consolidated accounts of National Westminster Bank Plc are available to the public and may be obtained from the Company Secretary, 41 Lothbury, London EC2P 2BP.

### 9 Audit fees

Audit fees are borne by another group company.