

NATWEST SERVICES JAPAN LIMITED

DECEMBER 31, 1994

DIRECTORS' REPORT AND ACCOUNTS

REGISTERED NO. 2581655



# NATWEST SERVICES JAPAN LIMITED

## REPORT OF THE DIRECTORS

Directors: S J Dobbie  
W F Mason  
P Rollason

Secretary: S E Lewis

Registered Office: 135 Bishopsgate, London EC2M 3UR

The Directors present their report and audited accounts for the year ended 31 December 1994.

### PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the Company is to provide administrative services to other group companies in Japan. No material change in this activity is foreseen. No significant events have occurred since the balance sheet date.

### RESULTS AND DIVIDENDS

The Company has continued to trade satisfactorily during the year, recording a profit after tax of ¥ 6,846,000. No interim dividend was paid during the year and the directors do not propose to pay a final dividend.

### DIRECTORS AND THEIR INTERESTS

The Directors of the Company who served during the year are shown above.

Subsequent to the year end, WF Mason resigned on 31 January 1995.

The Directors have no interest in the share capital of the Company. The interests of the Directors in the share capital of the parent undertaking, National Westminster Bank Plc, are shown below:

Ordinary Shares of £1	As at 1 January 1994		As at 31 December 1994	
	Holding*	Options	Holding*	Options
S J Dobbie	7,665	1,102g 747h 518i 25,178B	9,295	1,102g 747h 518i 25,178B 15,212H
W F Mason	1,667	466f 497g 574h 518i 4,914D 2,897E 3,488F 4,739G	2,218	497g 574h 518i 4,914D 2,897E 3,488F 4,739G 12,778H

\* Includes interests in Ordinary Shares of £1 each held by Trustees under the National Westminster Bank Plc Group 1979 Profit Sharing Share Scheme.

Options were granted under the National Westminster Bank Plc 1981 Savings Related Share Option Scheme to subscribe for Ordinary Shares of £1 at subscription prices per share as shown below:

f £3.09  
g £1.96  
h £2.61  
l £3.99

and under the National Westminster Bank Plc Executive Share Option Scheme to subscribe for Ordinary Shares of £1 at the subscription price per share as shown below:

B £2.78  
D £3.08  
E £3.38  
F £3.13  
G £5.03  
H £4.93

During 1994, eligible Directors 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. As at 31 December 1994, 379,490 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 a potential discretionary beneficial interest in those ordinary shares. The total value of the shares purchased in 1994 for the Plan was £1.9 million.

#### AUDITORS

On 10 November 1993 the Company passed an Elective Resolution to dispense with the obligation to appoint auditors annually. On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. They have expressed their willingness to continue in office and accordingly will remain in office until further notice.

By order of the Board



S E Lewis  
Secretary

18 October 1995

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The following statement, which should be read in conjunction with the Report of the Auditors set out below, is made to enable shareholders to distinguish the respective responsibilities of the Directors and of the Auditors in relation to the accounts.

The Directors are required by the Companies Act 1985 to prepare, for each financial year, accounts 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 Company's profit for that financial year.

The Directors confirm that the accounts set out on pages 5 to 9 have been prepared on the going concern basis and in preparing these accounts 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 Company maintains a system of internal control designed to provide reasonable, but not absolute, assurance:

- as to the reliability and integrity of the financial statements;

- that assets are safeguarded and only authorised transactions are entered into; and

- that fraud and other irregularities are detected.

## REPORT OF THE AUDITORS TO THE MEMBERS OF NATWEST SERVICES JAPAN LIMITED

We have audited the financial statements on pages 5 to 9.

### 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 have carried out 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 presentation of information in the financial statements.

### Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 1994 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG  
Chartered Accountants  
Registered Auditors

8 Salisbury Square  
London  
EC4Y 8BB

17 October 1995

**NATWEST SERVICES JAPAN LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994**

	<u>Notes</u>	<u>Yr Ended</u> <u>31/12/94</u> <u>¥ 000's</u>	<u>Yr Ended</u> <u>31/12/93</u> <u>¥000's</u>
Turnover		287,381	290,187
Administrative expenses	2,3,4,5	<u>(273,689)</u>	<u>(275,159)</u>
Profit on ordinary activities before taxation		13,692	15,028
Taxation	6	<u>(6,846)</u>	<u>(8,009)</u>
Profit for the financial year		<u>6,846</u>	<u>7,019</u>
<u>Statement of accumulated reserves</u>		<u>¥000's</u>	<u>¥000's</u>
Brought forward		12,115	5,096
Profit for the year		<u>6,846</u>	<u>7,019</u>
Accumulated reserves carried forward		<u>18,961</u>	<u>12,115</u>

The notes set out on pages 7 to 9 form an integral part of these accounts.

There are no recognized gains or losses other than those included in the profit and loss account.

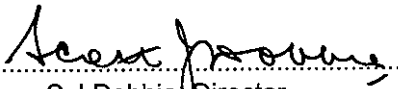
All items included in the profit and loss account are from continuing operations.

**NATWEST SERVICES JAPAN LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 1994**

	<u>Notes</u>	<u>As at</u> <u>31/12/94</u> <u>¥ 000's</u>	<u>As at</u> <u>31/12/93</u> <u>¥000's</u>
<b>CURRENT ASSETS</b>			
Amounts owed by group undertakings		61	921
Other debtors	7	245,402	245,402
Cash		<u>31,769</u>	<u>40,530</u>
		277,232	286,853
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
	8	<u>(258,248)</u>	<u>(274,715)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		18,984	12,138
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	23	23
Profit and loss account		<u>18,961</u>	<u>12,115</u>
		18,984	12,138
		=====	=====

The notes set out on pages 7 to 9 form an integral part of these accounts.

Signed for and on behalf of the Board:

  
 .....  
 S J Dobbie, Director

Date 17/10/95

# NATWEST SERVICES JAPAN LIMITED

## NOTES TO THE ACCOUNTS

31 DECEMBER 1994

### 1. ACCOUNTING POLICIES

- (a) The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.
- (b) The accounts have been prepared in Japanese Yen which is considered to be the Company's functional currency.
- (c) The pension cost relating to the Japanese scheme is assessed in accordance with the advice of Dai Ichi Mutual Life Insurance Ltd so as to recognise the cost of pensions on a systematic basis over employees' service lives.

### 2. OPERATING LEASES

	Yr Ended 31/12/94 ¥ 000's	Yr Ended 31/12/93 ¥000's
Profit is stated after charging:		
Rental of building - operating lease	140,110	137,565

### 3. EMOLUMENTS OF DIRECTORS

The Directors did not receive any emoluments for their services to the Company during the year.

### 4. PENSION COSTS

The pension cost for the year was ¥ 1,460,000. All of the Company's employees are secondees and are members of either National Westminster Bank Plc, Tokyo Branch's or County NatWest Securities Japan Limited's Pension schemes. Both of these schemes are Japanese, tax qualified, funded benefit schemes. The pension costs relating to the schemes are assessed in accordance with the advice of Dai Ichi Mutual Life Insurance Ltd so as to recognise the cost of pensions on a systematic basis over employees' service lives. No actuarial valuation of the schemes has been performed.

### 5. AUDITORS' REMUNERATION

The Auditors' remuneration for year to 31 December 1994 was ¥900,000 (1993: ¥ 850,000).

### 6. TAXATION

Taxation for the year ended 31 December 1994 represents Japanese corporate inhabitant per-capita tax, and corporation tax:

	As at 31/12/94 ¥000's	As at 31/12/93 ¥000's
Corporation tax	6,817	7,980
Corporate inhabitant per-capita tax	<u>29</u>	<u>29</u>
	<u>6,846</u>	<u>8,009</u>

## 7. OTHER DEBTORS

	As at 31/12/94 ¥000's	As at 31/12/93 ¥000's
Prepaid Rent	12,026	12,026
Rental Deposit	<u>233,376</u>	<u>233,376</u>
	<u>245,402</u>	<u>245,402</u>

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31/12/94 ¥000's	As at 31/12/93 ¥000's
Amounts owed to Parent undertaking	200,778	231,438
Amounts owed to other group companies	50,933	12,535
Taxation payable	6,518	5,532
Other	19	25,210
	<u>258,248</u>	<u>274,715</u>

## 9. CALLED UP SHARE CAPITAL

	¥	¥
Authorised:		
100 Ordinary Shares of £1 each	<u>23,200</u>	<u>23,200</u>
Issued and fully paid:		
100 Ordinary Shares of £1 each	<u>23,200</u>	<u>23,200</u>

## 10. EMPLOYEES

All staff are employed by either National Westminster Bank Plc, a company incorporated in England, or County NatWest Securities Japan Ltd, a company incorporated in Hong Kong. Staff numbers and salary costs of staff employed by National Westminster Bank Plc are disclosed in the accounts of that company.

The salary costs of the staff seconded to the Company are recharged to the Company by National Westminster Bank Plc and County NatWest Securities Japan Ltd.

## 11. COMMITMENTS AND CONTINGENCIES

At 31 December 1994 the Company had annual commitments under an operating lease as set out below:

	As at 31/12/94 Land and Buildings ¥000's	As at 31/12/93 Land and Buildings ¥000's
Buildings		
Operating lease which expires:		
Within one year	70,055	56,675
in the second to fifth years inclusive	<u>Nil</u>	<u>Nil</u>
	<u>70,055</u>	<u>56,675</u>

Since the year end, the Company has entered into a commitment to move premises at a total capital and revenue cost of ¥1,350,000,000.

## 12. ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary undertaking of National Westminster Bank Plc registered in England and Wales. National Westminster Bank Plc prepares group accounts which incorporate a cash flow statement and segmental information. Accordingly the directors have elected not to present the following:

- (a) Cash flow statement, and
- (b) Segmental information

The only group in which the results of the Company are consolidated is that headed by National Westminster Bank Plc registered in England and Wales. The consolidated accounts are available to the public and may be obtained from:

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