

Leeds Leasing plc

Directors' report and financial statements

30 September 1995

Registered number 588708



Leeds Leasing plc

Directors' report and financial statements

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Leeds Leasing plc

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 1995.

Principal activities

The principal activity of the company is the leasing of plant and equipment to commercial concerns.

Business review

The company has made a profit before taxation for the year of £501,915.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend.

The profit for the year retained in the company is £283,200.

Significant changes in fixed assets

Fixed asset movements are set out in note 7 to the financial statements.

Directors and directors' interests

The directors who held office during the year were as follows:

R D Wade
J A Schofield
A C Wardner

The director retiring by rotation is Mr RD Wade who, being eligible, offers himself for re-election.

The directors who held office at the end of the financial year had the following interests in the ordinary shares of Leeds Group plc, the ultimate parent company, as recorded in the register of directors' share and debenture interests:

	Number of shares	
	Interest at end of year	Interest at beginning of year
A C Wardner	13,826	18,076

Leeds Leasing plc

Directors' report

Directors and directors' interests *(continued)*

Mr R D Wade and Mr J A Schofield are directors of Leeds Group plc and their interests are disclosed in the directors' report of that company.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, the following ordinary share options in Leeds Group plc were granted to the director or his immediate family.

	Number of share options		Exercise prices	Exercisable dates
	As at 30 September 1995	As at 1 October 1994		
AC Wardner	10,867	30,030	153p to 222p	July 1997 to February 2001

The movement in the year relates to 1,087 options granted and 20,250 exercised.

Insurance for officers

The parent company has purchased liability insurance for its officers and directors.

Leeds Leasing plc

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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:

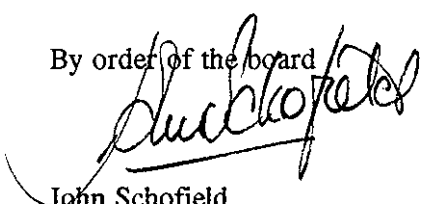
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

Auditors

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. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board


John Schofield
Secretary

Otley Lane
Yeadon
LEEDS
LS19 7JT

4 December 1995



1 The Embankment
Neville Street
Leeds
LS1 4DW

Auditors' report to the members of Leeds Leasing plc

We have audited the financial statements on pages 5 to 13.

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 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 30 September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

4 December 1995

Leeds Leasing plc

Profit and loss account for the year ended 30 September 1995

	Note	Continuing Activities 1995 £	1994 £
Gross earnings from finance leases	1	1,002,014	943,106
Commission payable		(123,660)	(135,997)
Gross profit		878,354	807,109
Administrative expenses		(345,699)	(267,362)
Operating profit		532,655	539,747
Interest payable and similar charges	5	(30,740)	(67,823)
Profit on ordinary activities before taxation	2	501,915	471,924
Tax on profit on ordinary activities	6	(218,715)	(152,611)
Profit on ordinary activities after taxation for the financial year		283,200	319,313
Retained profit brought forward		1,538,691	1,219,378
Retained profit carried forward		1,821,891	1,538,691

The company had no recognised gains or losses other than the profit for the year shown above in either 1994 or 1995.

A reconciliation of movements in shareholders' funds can be found at note 12 to the accounts.

Leeds Leasing plc

Balance sheet at 30 September 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	7		31,132		19,585
Current assets					
Debtors	8	3,565,202		3,454,184	
Cash at bank and in hand		100		100	
		<u>3,565,302</u>		<u>3,454,284</u>	
Creditors: amounts falling due within one year	9	<u>(1,724,543)</u>		<u>(1,878,862)</u>	
Net current assets		1,840,759		1,575,422	
Of which:					
due within one year			284,685		(66,469)
debtors due after more than one year	8		<u>1,556,074</u>		<u>1,641,891</u>
Total assets less current liabilities			1,871,891		1,595,007
Provisions for liabilities and charges	10		<u>-</u>		<u>(6,316)</u>
Net assets			<u>1,871,891</u>		<u>1,588,691</u>
Capital and reserves					
Called up share capital	11		50,000		50,000
Profit and loss account			<u>1,821,891</u>		<u>1,538,691</u>
Equity shareholders' funds			<u>1,871,891</u>		<u>1,588,691</u>

These financial statements were approved by the board of directors on 4 December 1995 and were signed on its behalf by:

R D Wade

J A Schofield

Directors

Leeds Leasing plc

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	-	5 years
Office equipment	-	3 to 5 years

Pension costs

Certain employees are members of one of two defined contribution pension schemes operated by the group. The assets of the schemes are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Gross earnings from finance leases

Gross earnings from finance leases are allocated to accounting periods to give a constant rate of return on the company's net investment in those leases.

Leasing assets

Amounts receivable under finance leases are recorded as debtors at the aggregate amount of the company's net investment in those leases after making appropriate provisions for bad and doubtful rentals receivable.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Leeds Leasing plc

Notes (continued)

2 Profit on ordinary activities before taxation

	1995 £	1994 £
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	8,000	8,000
Depreciation and other amounts written off tangible fixed assets	10,006	15,345
Operating lease - land and buildings	14,750	14,750
<i>after crediting</i>		
Other rentals receivable under finance leases	<u>3,361,435</u>	<u>2,946,868</u>

3 Remuneration of directors

	1995 £	1994 £
Directors' emoluments:		
Remuneration as an executive	34,566	32,788
Pension contributions	<u>8,981</u>	<u>11,509</u>
	<u>43,547</u>	<u>44,297</u>

Leeds Leasing plc

Notes (continued)

3 Remuneration of directors (continued)

The emoluments, excluding pension contributions, of the chairman were £nil (1994: £nil) and those of the highest paid director are disclosed fully above.

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

		Number of directors	
		1995	1994
£0	- £ 5,000	2	2
£30,001	- £35,000	1	1

Benefits in kind include car, fuel, telephone, and medical benefits.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 14 (1994: 13).

The aggregate payroll costs of these persons were as follows:

	1995	1994
	£	£
Wages and salaries	185,856	161,054
Social security costs	12,945	13,691
Other pension costs (see note 14)	9,508	7,152
	<u>208,309</u>	<u>181,897</u>

5 Interest payable and similar charges

	1995	1994
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years	5,838	20,953
On all other loans	24,902	46,870
	<u>30,740</u>	<u>67,823</u>

Of the above amount £24,902 (1994: £46,870) was payable to group undertakings.

Leeds Leasing plc

Notes (continued)

6 Taxation

	1995 £	1994 £
UK corporation tax at 33% (1994: 33%) on the profit for the year on ordinary activities	221,469	213,279
Deferred taxation	(6,316)	(54,398)
Adjustment relating to an earlier year	3,562	330
Group relief	-	(6,600)
	<u>218,715</u>	<u>152,611</u>

7 Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
<i>Cost</i>			
At beginning of year	46,575	28,599	75,174
Additions	27,818	-	27,818
Disposals	(24,375)	-	(24,375)
	<u>50,018</u>	<u>28,599</u>	<u>78,617</u>
Cost at end of year			
	<u>50,018</u>	<u>28,599</u>	<u>78,617</u>
<i>Depreciation and diminution in value</i>			
At beginning of year	26,990	28,599	55,589
Charge for year	10,006	-	10,006
Disposals	(18,110)	-	(18,110)
	<u>18,886</u>	<u>28,599</u>	<u>47,485</u>
At end of year			
	<u>18,886</u>	<u>28,599</u>	<u>47,485</u>
<i>Net book value</i>			
At 30 September 1995	<u>31,132</u>	<u>-</u>	<u>31,132</u>
At 30 September 1994	<u>19,585</u>	<u>-</u>	<u>19,585</u>

Leeds Leasing plc

Notes (continued)

8 Debtors

	1995		1994	
	Due within one year £	Due after more than one year £	Due within one year £	Due after more than one year £
Trade debtors	66,611	-	60,560	-
Finance lease receivables	1,942,517	1,556,074	1,751,733	1,641,891
	<u>2,009,128</u>	<u>1,556,074</u>	<u>1,812,293</u>	<u>1,641,891</u>

The company has acquired assets at a cost of £2,788,357 (1994: £2,578,391) during the year for the purposes of letting under finance leases.

9 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank loans and overdrafts	142,423	78,323
Trade creditors	263,940	265,790
Amounts owed to group undertakings	339,638	648,413
Other creditors including taxation and social security:		
Corporation tax	221,469	213,279
Accruals and deferred income	757,073	673,057
	<u>1,724,543</u>	<u>1,878,862</u>

Leeds Leasing plc

Notes (continued)

10 Provisions for liabilities and charges

The amounts provided for deferred taxation and the full potential liability, calculated on the liability method at a rate of 33% (1994: 33%) are set out below:

	1995		1994	
	Provided	Full potential liability/(asset)	Provided	Full potential liability/(asset)
	£	£	£	£
Accelerated capital allowances	-	(23,311)	44,146	44,146
Other timing differences	-	(25,706)	(37,830)	(37,830)
	<u>-</u>	<u>(49,017)</u>	<u>6,316</u>	<u>6,316</u>

11 Called up share capital

	1995	1994
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

12 Reconciliation of movements in shareholders' funds

	1995	1994
	£	£
Profit for the financial year	283,200	319,313
Opening shareholders' funds	<u>1,588,691</u>	<u>1,269,378</u>
Closing shareholders' funds	<u>1,871,891</u>	<u>1,588,691</u>

Leeds Leasing plc

Notes (continued)

13 Commitments

There were no capital commitments at 30 September 1995 (1994: £nil).

Annual operating lease commitments relating to rent of property are as follows:

	1995 £	1994 £
Expiring within one year	14,750	-
Expiring within two to five years	-	14,750

14 Pension scheme

Certain employees are members of one of two defined contribution pension schemes operated by the group. The pension cost charge for the period represents contributions payable by the company to the funds and amounted to £9,508 (1994: £7,152).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

15 Ultimate parent company

The company is a subsidiary undertaking of Leeds Group plc a company incorporated in Great Britain and registered in England and Wales. The consolidated accounts of Leeds Group plc are available to the public and may be obtained from:

The Company Secretary
Leeds Group plc
Otley Lane
Yeadon
LEEDS
LS19 7JT