

SIGNED

Leeds Leasing Limited
(formerly Leeds Leasing plc)

Directors' report and financial statements

30 September 2005

Registered number 588708



A31
COMPANIES HOUSE

A29K0BFU

136
22/12/2005

Leeds Leasing Limited (formerly Leeds Leasing plc)

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1 - 2
Report of the independent auditor	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 13
Five year summary of results	14

Leeds Leasing Limited (formerly Leeds Leasing plc)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2005.

Principal activity

The principal activity of the Company is the leasing of equipment to businesses.

Review of the year and future prospects

The value of new business financed in the year increased by 16% over 2004 and the level of the default charge was reduced significantly. These two factors made the greatest contribution to restoring the Company to profit, and the directors are of the view that further progress is possible in the current financial year. On 31 October 2005, the entire share capital of the Company was sold by Leeds Group plc to Bibby Asset Finance Limited, whose ultimate parent company is Bibby Line Group Limited. On that day the Company changed its name from Leeds Leasing plc to Leeds Leasing Limited.

Dividends

The directors do not recommend the payment of a dividend.

Directors and directors' interests

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

Executive	Mrs. Carol Ann Roberts
Non-Executive	Mr. Malcolm John Wilson (Chairman)
	Mrs. Vinodka Murria

Since the year end, on 31 October 2005, Mr. Wilson and Mrs. Murria resigned as directors on the completion of the sale of the Company to Bibby Asset Finance Limited. Also, on 31 October 2005, Michael Charles Peter Deacon, Andrew Charles Dixon, Richard William Jones, Ian Downing and David Albert Robertson were appointed as directors of the Company.

None of the directors had a disclosable interest in the shares of the Company. Mrs. Roberts, Mr. Wilson and Mrs. Murria were until 31 October 2005 also directors of Leeds Group plc and their interests are disclosed in the directors' report of that Company. On 31 October 2005 Mrs. Roberts resigned as a director of Leeds Group plc on the completion of the sale of the Company to Bibby Asset Finance Limited.

Creditor payment policy

It is Company policy to pay suppliers for goods subject to third party leases at the time contracts are executed and the relevant goods delivered. All other suppliers are paid within one month of the invoice date. The Company had 20 days' purchases outstanding at 30 September 2005 based on the average daily amount invoiced by suppliers during the year then ended.

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 the 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 apply them consistently;
- Make judgments 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.

Leeds Leasing Limited (formerly Leeds Leasing plc)

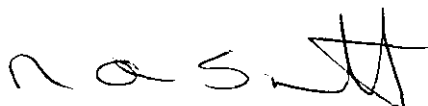
Directors' report (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which 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

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

By order of the board



Bibby Bros. & Co. (Management) Limited
Secretary
13 December 2005

105 Duke Street
Liverpool
L1 5JQ

Duty Authorised Secretary
For and on behalf of Bibby Bros & Co
(Management) Limited, SECRETARY

Leeds Leasing Limited (formerly Leeds Leasing plc)

Report of the independent auditor to the members of Leeds Leasing Limited

We have audited the financial statements on pages 4 to 13.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

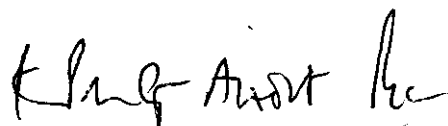
Basis of audit opinion

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 affairs of the Company as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor

13 December 2005

Leeds Leasing Limited (formerly Leeds Leasing plc)

Profit and loss account

For the year ended 30 September 2005

	Note	2005 £000	2004 £000
Gross earnings from finance leases	1	3,075	2,849
Commission receivable		-	2
Commission payable		(443)	(404)
Gross profit		<u>2,632</u>	<u>2,447</u>
Administrative expenses		(1,402)	(2,367)
Other operating income		156	84
Operating profit before exceptional items		1,386	764
Exceptional items included within administrative expenses	7	-	(600)
Operating profit		1,386	164
Interest payable and similar charges	5	(924)	(825)
Profit/(Loss) on ordinary activities before taxation	2	<u>462</u>	<u>(661)</u>
Taxation on profit/loss on ordinary activities	6	-	(370)
Profit/(Loss) on ordinary activities after taxation for the financial year	15	<u>462</u>	<u>(1,031)</u>
Retained profit brought forward		3,801	4,832
Retained profit carried forward		<u><u>4,263</u></u>	<u><u>3,801</u></u>

A reconciliation of movements in shareholders' funds is given in note 15 to the financial statements.

The Company had no recognised gains or losses other than the current year profits and therefore no separate statement of total recognised gains and losses has been prepared.

All activities of the Company are continuing.

The notes on pages 6 to 13 form part of these financial statements.

Leeds Leasing Limited (formerly Leeds Leasing plc)

Balance Sheet

At 30 September 2005

	Note	2005 £000	2004 £000
Fixed Assets			
Tangible Assets	8	129	218
Current Assets			
Debtors	9	21,530	19,364
Deferred tax	10	800	800
		22,330	20,164
Creditors: amounts falling due within one year	11	(10,695)	(10,281)
Net current assets		11,635	9,883
Of which:			
Due within one year		(1,375)	(1,841)
Debtors due after more than one year		13,010	11,724
Total assets less current liabilities		11,764	10,101
Creditors: amounts falling due after more than one year	12	(7,451)	(6,250)
Net assets		4,313	3,851
Capital and reserves			
Called up equity share capital	14	50	50
Profit and loss account		4,263	3,801
Equity shareholders' funds	15	4,313	3,851

The notes on pages 6 to 13 form part of these financial statements.

These financial statements were approved by the board of directors on 13 December 2005 and were signed on its behalf by:



Ian Downing
Director

Leeds Leasing Limited (formerly 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 on a going concern basis in accordance with applicable accounting standards and under the historical cost accounting rules, and in compliance with the requirements of the Companies Act 1985 and with the Finance & Leasing Association Statement of Recommended Accounting Practice.

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

During the year, the Company operated a group personal pension scheme, which covered all employees. The scheme is a defined contribution type and the Company's contributions are charged against profits in the year in which contributions are due.

Taxation

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Income from finance leases

Income from finance leases is credited to the profit and loss account using the actuarial method to give a constant periodic return on the net cash investment.

Leasing assets

Assets leased to customers which transfer substantially all the risks and rewards of ownership to the customer are classified as finance leases and are recorded within debtors. The net investment in finance leases represents total minimum payments less gross earnings allocated to future periods.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account over the terms of the leases.

Commission assets

Commissions payable on finance lease assets acquired are spread over the life of the lease.

Leeds Leasing Limited (formerly Leeds Leasing plc)

Notes (forming part of the financial statements)

1. Accounting policies (continued)

Provisions for bad and doubtful debts

Specific provisions are made on an individual assessment basis, taking into account factors such as the number of payments from the customer that are overdue and the value of any collateral held. A general provision is made against finance lease receivables to cover bad and doubtful debts, which have not been separately identified, but which are known from experience to be present in such a book of finance leases. The level of general provision is determined in light of past experience and the current business environment.

Specific and general provisions are deducted from finance lease receivables. Provisions made during the year, less amounts released and recoveries of amounts written off in previous years, are charged to the profit and loss account.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and its parent undertaking includes the Company in its own published consolidated financial statements.

Related party disclosures

As permitted by Financial Reporting Standard 8, the Company is exempt from providing full details of its transactions with entities included within the group of its ultimate holding company, Leeds Group plc, as more than 90% of the Company's share capital is held by the group. The consolidated financial statements, within which this Company is included, can be obtained from the address given in note 18.

2. Profit or loss on ordinary activities before taxation

Profit or loss on ordinary activities before taxation is stated:

	2005 £000	2004 £000
<i>After charging</i>		
Auditor's and their associates' remuneration:		
Audit	17	26
Non-audit	10	2
Depreciation	104	92
Operating lease rentals		
Land and buildings	34	34
<i>After crediting</i>		
Rentals receivable under finance leases	12,885	12,456

Leeds Leasing Limited (formerly Leeds Leasing plc)

Notes (forming part of the financial statements)

3. Remuneration of directors

	2005 £000	2004 £000
Directors' emoluments:		
Executive remuneration	84	59
Pension contributions	5	3
	<u>89</u>	<u>62</u>

During the year one director paid pension contributions into a group personal pension plan.

4. Staff numbers and costs

The average number of persons employed by the Company (including executive directors) during the year was 25 (2004:28).

The aggregate payroll costs of these persons were as follows:

	2005 £000	2004 £000
Wages and salaries	560	608
Social security costs	58	59
Other pension costs (note 17)	17	15
	<u>635</u>	<u>682</u>

5. Interest payable and similar charges

	2005 £000	2004 £000
On bank loans, overdrafts and other loans wholly repayable within five years	<u>924</u>	<u>825</u>

6. Taxation on profit/loss on ordinary activities

	2005 £000	2004 £000
Current tax		
UK corporation tax at 30% (2004: 30.0%) on the profit/loss for the year on ordinary activities	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax (note 10)		
Movement in the recognised deferred tax asset	-	(370)
Reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>(370)</u>
Tax charge on profit/loss on ordinary activities	<u>-</u>	<u>(370)</u>

Leeds Leasing Limited (formerly Leeds Leasing plc)

Notes (forming part of the financial statements)

6. Taxation on profit/loss on ordinary activities (continued)

A reconciliation of the current tax charge for the year as compared to the expected tax credit calculated at the standard rate in the UK is as follows:

	2005 £000	2004 £000
Profit / (Loss) on ordinary activities before tax	462	(661)
Current tax charge/ (credit) at 30% (2004:30%)	139	(198)
Effects of:		
Non-taxable income	(5)	-
Expenses not deductible for tax purposes	-	15
Fixed asset timing differences	(132)	135
Short term timing differences	77	48
Group relief	(79)	-
Total current tax charge/(credit) (see above)	<u>-</u>	<u>-</u>

7. Exceptional items

	2005 £000	2004 £000
Bad debt provision	<u>-</u>	<u>600</u>

During 2004, following the introduction of new leasing software, the Directors reviewed the basis on which bad debt provisions in Leeds Leasing plc were calculated. From the date of this review, specific provisions have been made against the Company's exposure to arrears cases with the percentage provided in each case increasing with the number of payments in arrears. The effect of adopting the new methodology was to increase the bad debt provision by £600,000, which was reported as an exceptional item within operating profit.

Leeds Leasing Limited (formerly Leeds Leasing plc)

Notes (forming part of the financial statements)

8. Tangible fixed assets

	Motor Vehicles £000	Office Equipment £000	Total £000
Cost			
At beginning of year	49	332	381
Additions	14	10	24
Disposals	(27)	(5)	(32)
At end of year	<u>36</u>	<u>337</u>	<u>373</u>
Depreciation			
At beginning of year	21	142	163
Charge for year	8	96	104
Disposals	(18)	(5)	(23)
At end of year	<u>11</u>	<u>233</u>	<u>244</u>
Net book amount			
At 30 September 2005	<u>25</u>	<u>104</u>	<u>129</u>
At 30 September 2004	<u>28</u>	<u>190</u>	<u>218</u>

There were no assets held under finance leases at 30 September 2005 or at 30 September 2004.

Included in plant and machinery is a motor car subject to a hire purchase agreement with a net book amount of £14,000 (2004: nil).

9. Debtors

	2005 £000	2004 £000
Trade debtors	410	532
Finance lease receivables	20,606	18,328
Other debtors	-	15
Prepayments and accrued income	514	489
	<u>21,530</u>	<u>19,364</u>

Assets acquired during the year for letting under finance leases amounted to £12,369,000 (2004: £10,855,000).

Included in finance lease debtors is an amount of £12,210,000 (2004: £10,924,000), which falls due after more than one year.

Leeds Leasing Limited (formerly Leeds Leasing plc)

Notes (forming part of the financial statements)

10. Deferred Taxation

The movement in the deferred tax asset in the year comprises:

	£000
At 1 October 2004	800
Charged in the year (note 6)	-
At 30 September 2005	<u>800</u>

The amounts recognised in the accounts for deferred taxation and the amounts not recognised are set out below:

	2005		2004	
	Recognised	Unrecognised	Recognised	Unrecognised
	£000	£000	£000	£000
Accelerated capital allowances	599	939	723	843
Other timing differences	201	-	77	-
	<u>800</u>	<u>939</u>	<u>800</u>	<u>843</u>

11. Creditors: amounts falling due within one year

	2005	2004
	£000	£000
Bank overdrafts	132	348
Bank loans (note 13)	7,118	6,820
Hire purchase creditor	11	-
Trade creditors	59	48
Amounts owed to group undertakings	1,350	850
Taxation and social security	-	17
Accruals and deferred income	2,025	2,198
	<u>10,695</u>	<u>10,281</u>

12. Creditors: amounts falling due after more than one year

	2005	2004
	£000	£000
Bank loans (note 13)	<u>7,451</u>	<u>6,250</u>

Leeds Leasing Limited (formerly Leeds Leasing plc)

Notes (forming part of the financial statements)

13. Bank loans

Bank loans are repayable by instalments as follows:

	2005 £000	2004 £000
Within one year	7,118	6,820
Between one and two years	4,816	4,007
Between two and five years	2,635	2,243
	<u>14,569</u>	<u>13,070</u>

During the year, the Company took out a number of medium term loans at fixed interest rates between 6.07% and 7.46% repayable in monthly instalments.

Loans amounting to £14,569,000 (2004: £13,070,000) are secured on lease agreements written by the Company.

14. Called up share capital

	2005 £000	2004 £000
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>50</u>	<u>50</u>

15. Reconciliation of movements in shareholders' funds

	2005 £000	2004 £000
At 1 October	3,851	4,882
Profit/(Loss) for the financial year	462	(1,031)
At 30 September	<u>4,313</u>	<u>3,851</u>

16. Commitments

Capital commitments contracted at 30 September 2005 were £nil (2004: £nil).

Annual commitments under non-cancellable operating leases relating to land and buildings are as follows:

	2005 £000	2004 £000
Operating leases which expire:		
Between two to five years	<u>68</u>	<u>34</u>

Leeds Leasing Limited (formerly Leeds Leasing plc)

Notes *(forming part of the financial statements)*

17. Pension scheme

The pension charge for the period represents contributions payable by the Company to pension schemes amounting to £17,000 (2004: £15,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18. Ultimate parent company

The ultimate parent company in which the results of the Company are consolidated is 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
Schofield House
Gateway Drive
Yeadon
Leeds
LS19 7XY

or from the website: www.leedsgroup.plc.uk

On 31 October 2005 Bibby Asset Finance Limited acquired the entire share capital of the Company, and since that date the Company's ultimate parent company has been Bibby Line Group Limited, a company registered in England and Wales with registered number 34121, and whose registered office is at

105 Duke Street
Liverpool
L1 5JQ
(www.bibbygroup.co.uk)

Leeds Leasing Limited (formerly Leeds Leasing plc)

5 Year Summary of Results For the year ended 30 September

	2005 £000	2004 £000	2003 £000	2002 £000	2001 £000
Gross earnings from finance leases	3,075	2,849	3,373	3,634	3,011
Operating profit	1,386	164	756	1,891	1,683
Interest payable	(924)	(825)	(801)	(872)	(796)
Profit / (Loss) before tax	462	(661)	(45)	1,019	887
Tax	-	(370)	195	679	29
Retained profit/(unrecovered loss)	462	(1,031)	150	1,698	916
Retained profit brought forward	3,801	4,832	4,682	2,984	2,068
Retained profit carried forward	4,263	3,801	4,832	4,682	2,984

<i>At 30 September</i>	2005 £000	2004 £000	2003 £000	2002 £000	2001 £000
Finance lease debtors					
due within 12 months	8,396	7,404	8,133	8,275	7,322
due beyond 12 months	12,210	10,924	9,881	10,060	9,380
	20,606	18,328	18,014	18,335	16,702
Fixed assets	129	218	245	70	87
Deferred and current tax	800	800	1,170	975	296
Other debtors and creditors	(1,171)	(1,227)	(660)	(962)	(713)
	20,364	18,119	18,769	18,418	16,372
Net amounts owed to group undertakings	(1,350)	(850)	(850)	-	(2)
Bank debt	(14,701)	(13,418)	(13,037)	(13,686)	(13,336)
Net assets	4,313	3,851	4,882	4,732	3,034
Called up equity share capital	50	50	50	50	50
Profit and loss account	4,263	3,801	4,832	4,682	2,984
Equity shareholders' funds	4,313	3,851	4,882	4,732	3,034

The year 2001 has been re-stated in accordance with Financial Reporting Standard 19.