Kenburn Rentals Limited

Abbreviated Accounts

30 SEPTEMBER 1996

Registered number: 2938708



ERNST & YOUNG

ERNST & YOUNG

REPORT OF THE AUDITORS
to the directors of Kenburn Rentals Limited

We have examined the abbreviated accounts on pages 4 to 6 together with the annual accounts Kenburn Rentals Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 September 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to prepare abbreviated accounts and whether they have been properly prepared in accordance with that schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm by reference to the audited accounts, that the company is entitled to the exemptions claimed in the directors' statement on page 4 and that the abbreviated accounts have been properly prepared from those annual accounts. The scope of our work does not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the directors are entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 30 September 1996 and the abbreviated accounts on pages 4 to 6 have been properly prepared in accordance with Schedule 8 to that Act.

Other information

As auditors of the company, we reported to the members on 23 December 1996 on the annual accounts prepared under section 226 of the Companies Act 1985 and taking advantage of the provisions of the Companies Act applicable to small companies for the year ended 30 September 1996 and our audit report was as follows:

"We have audited the accounts on pages 6 to 11, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

ERNST & YOUNG

REPORT OF THE AUDITORS
to the directors of Kenburn Rentals Limited

Basis of opinion

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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies".

Ernst & Young
Chartered Accountants
Registered Auditor
Luton

17 January 1997

ABBREVIATED BALANCE SHEET
as at 30 September 1996

	Notes	1996 £	1995 £
FIXED ASSETS	2	10,726	14,387
CURRENT ASSETS			
Debtors: falling due after more than one year		741,848	486,667
Debtors: falling due within one year		332,024	189,929
Cash at bank and in hand		974	12,496
		1,074,846	689,002
CREDITORS: amounts falling due within one year	3	(615,641)	(389,192)
NET CURRENT ASSETS		459,205	299,900
TOTAL ASSETS LESS CURRENT LIABILITIES		469,931	314,287
CREDITORS: amounts falling due after one year		(284,214)	(217,622)
PROVISIONS FOR LIABILITIES AND CHARGES		(27,820)	(20,200)
		157,897	76,465
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		157,797	76,365
		157,897	76,465

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company.

D W Hall

Director

17 JANUARY 1997

ABBREVIATED NOTES TO THE ACCOUNTS
as at 30 September 1996

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention. The company has taken advantage of the exemption in Financial Reporting Standard Number 1 from producing a cash flow statement on the grounds that it is a small company.

Turnover
Turnover comprises income receivable by the company on finance leases, operating leases and hire purchase agreements and any profit derived from the sale of equipment on termination, excluding Value Added Tax and derives entirely from continuing operations.

Operating leases
Assets leased to customers under agreements which do not transfer substantially all the risks and rewards associated with ownership and which do not transfer legal title are classified as operating leases. Rentals receivable under operating leases are accounted for on a straight line basis over the periods of the leases. The assets owned by the company as lessor are included in tangible fixed assets.

Finance leases and hire purchase contracts
Assets leased to customers under agreements which transfer substantially all the risks and rewards associated with ownership with the exception of legal title, are treated as finance leases. Amounts receivable under finance leases and hire purchase contracts are included within net investment in finance leases and hire purchase contracts at debtors.

Credit is taken in each period for finance charges receivable over the period of the agreement using a suitable actuarial method.

Depreciation
The cost of fixed assets is written off in annual instalments over their expected useful lives as follows:

Equipment	-	25% reducing balance basis

Leasing and hire purchase commitments
Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred taxation
Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

ABBREVIATED NOTES TO THE ACCOUNTS
as at 30 September 1996

2. FIXED ASSETS

	Total £
Cost:	
At 1 October 1995	19,950
Additions	200
Disposals	(450)
At 30 September 1996	19,700
Depreciation:	
At 1 October 1995	5,563
Provided during the year	3,563
On disposals	(152)
At 30 September 1996	8,974
Net book value:	
At 30 September 1996	10,726
At 30 September 1995	14,387

3. CREDITORS: amounts falling due within one year

An amount of £576,894 (1995 - £398,371) is secured.

4. SHARE CAPITAL

	Authorised		*Allotted, called up and fully paid*	
	1996 £	*1995* £	*1996* £	*1995* £
Ordinary shares of £1 each	1,000	1,000	100	100

5. ULTIMATE PARENT UNDERTAKING

As part of the group restructuring Kenburn Rentals is now a subsidiary of Enfranchise 222 Limited. The new holding company was incorporated on 1 August 1996 and will prepare its first statutory accounts for the period to 30 September 1997.