

AUTOLEASE LIMITED
REPORT AND FINANCIAL STATEMENTS

31 December 1994

Registered number 767474



AUTOLEASE LIMITED

DIRECTORS' REPORT

31 December 1994

The directors present their annual report and the financial statements for the year ended 31 December 1994.

Results and dividends

The profit for the year after taxation amounted to £3,141,700. It is recommended that no dividend be paid and that the profit of £3,141,700 be transferred to reserves.

Review of business

The principal activities of the company continue to be those of contract hire and leasing specialists.

The turnover for the year at £56,292,529 was 10.5% lower than the previous year. The profit on ordinary activities before taxation amounted to £4,802,444 compared with a profit of £2,436,513 in the previous year.

The directors consider the state of affairs of the company to be satisfactory.

Fixed assets

The movements in tangible fixed assets during the year are set out in the notes to the financial statements.

Directors

The following were directors of the company at 31 December 1994

R.E.C. Marton) Directors of B.S.G.
J.B. Tustain) International plc
J.M. Given
A. Guest
K.B. Hall
J. Haynes
T.J. Jones
P.R. Williams

Mr. P.R. Williams was appointed as a director of the company on 17 October 1994.

In accordance with the Articles of Association none of the directors retire.

AUTOLEASE LIMITED

DIRECTORS' REPORT

31 December 1994

(continued)

Directors' shareholdings

None of the directors have any beneficial interest in the share capital of the company.

The directors of the ultimate parent undertaking disclose their interests in the share capital of B.S.G. International plc in the financial statements of that company. None of the other directors have any beneficial interest in the share capital of B.S.G. International plc.

The directors holding options under the share option schemes of B.S.G. International plc (other than directors of the ultimate parent undertaking) are as follows

	31 December 1994 Ordinary shares of 10p each	31 December 1993 (or at date of appointment) Ordinary shares of 10p each
Options held under the B.S.G. International plc Executive Share Option Scheme 1985		
T.J. Jones	103,940	103,940
P.R. Williams	50,985	25,985
	<hr/>	<hr/>
Options held under the B.S.G. International plc Savings Related Share Option Scheme 1988		
J.M. Given	9,066	9,066
A. Guest	30,157	30,157
K.B. Hall	39,262	39,262
T.J. Jones	39,262	39,262
	<hr/>	<hr/>

Officers' insurance

The company has purchased and maintained insurance to cover its officers against liabilities in relation to their duties to the company.

AUTOLEASE LIMITED

DIRECTORS' REPORT

31 December 1994
(continued)

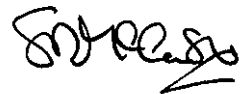
Auditors

The company has elected to dispense with the annual re-appointment of auditors and in the absence of a specific resolution to the contrary Kidsons Impey will continue in office.

Registered Office

PO Box 1234
Burgess House
1270 Coventry Road
Yardley
Birmingham B25 8JD

By order of the board



S.D. McCaslin

for B.S.G. Secretarial Services Limited

Secretary

31 March 1995

AUTOLEASE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 December 1994

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the year and of the profit or loss for that year.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- follow applicable accounting standards.

They are also responsible:

- for ensuring that the company keeps adequate accounting records
- to the company for safeguarding the company's assets and taking reasonable steps for the prevention and detection of fraud and other irregularities

AUTOLEASE LIMITED

AUDITORS' REPORT

Auditors' report to the shareholders of Autolease Limited

We have audited the financial statements on pages 6 to 15 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4 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 at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kidsons Impey

Kidsons Impey

Registered Auditors

Chartered Accountants

Birmingham

31 March 1995

AUTOLEASE LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1994

	Note	1994 £	1993 £
Turnover	2	56,292,529	62,880,522
Cost of sales		(49,443,352)	(58,263,857)
		<hr/>	<hr/>
Gross profit		6,849,177	4,616,665
Administrative expenses		(2,567,594)	(2,401,926)
		<hr/>	<hr/>
Operating profit	3	4,281,583	2,214,739
Interest receivable	4	912,846	824,362
Interest payable	5	(391,985)	(602,588)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		4,802,444	2,436,513
Taxation	7	(1,660,744)	(911,000)
		<hr/>	<hr/>
Retained profit for the year	13	3,141,700	1,525,513
		<hr/>	<hr/>

AUTOLEASE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

31 December 1994

There are no recognised gains or losses other than the profit for the year of £3,141,700 (1993 £1,525,513).

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Profit for the year	3,141,700	1,525,513
Opening shareholders' funds	<u>4,304,261</u>	<u>2,778,748</u>
Closing shareholders' funds	<u>7,445,961</u>	<u>4,304,261</u>

AUTOLEASE LIMITED

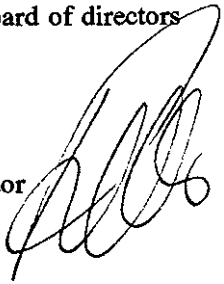
BALANCE SHEET

at 31 December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Tangible assets	8		416,682		482,800
Current assets					
Debtors	9	27,248,116		23,687,319	
Cash at bank		<u>2,942</u>		<u>2,942</u>	
		27,251,058		23,690,261	
Creditors: amounts falling due within one year	10	<u>(20,221,779)</u>		<u>(19,868,800)</u>	
Net current assets			<u>7,029,279</u>		<u>3,821,461</u>
			<u>7,445,961</u>		<u>4,304,261</u>
Capital and reserves (equity)					
Called up share capital	12		1,000,000		1,000,000
Profit and loss account	13		<u>6,445,961</u>		<u>3,304,261</u>
Total shareholders' funds			<u>7,445,961</u>		<u>4,304,261</u>

The financial statements on pages 6 to 15 were approved by the board of directors on 31 March 1995

R.E.C. Marton - Director



AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1994

1 Principal accounting policies

Basis of accounting

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

Depreciation

Depreciation is calculated on cost or revalued amounts on a straight line basis to write off the relevant assets over their expected useful lives. The principal annual rates used are as follows

	%
Vehicles	25
Office equipment	10
Computer equipment	33.33

Contract hire and leasing business

The company has entered into operating agreements with finance houses in respect of vehicles which are sub-leased to customers. Net income from vehicle leasing and contract hire agreements is credited to the profit and loss account so as to spread profits equally over the period of the lease.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease. Assets held for the company's own use and funded through finance leases have been capitalised in the balance sheet.

Deferred taxation

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. Where such timing differences are anticipated to continue for the foreseeable future no provision is made.

Pensions

The parent undertaking operates a number of defined benefit pension schemes for its employees. All the schemes are funded; liabilities are provided on a systematic basis over the period of employment of scheme members. Variations disclosed by actuarial valuations are spread over the average remaining service lives of current scheme members.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No.1 as it is a wholly owned subsidiary undertaking and the ultimate parent undertaking publishes consolidated financial statements which include a consolidated cash flow statement.

AUTOLEASE LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1994
(continued)

2 Turnover

Turnover represents the invoiced value excluding value added tax of services provided to customers.

The turnover and profit before taxation are attributable to the principal activities of the company, being those of contract hire and leasing specialists, and relate wholly to continuing operations in the United Kingdom.

3 Operating profit	1994	1993
	£	£
Operating profit is stated after charging		
Depreciation of tangible fixed assets		
- Owned assets	154,691	161,053
Loss/(profit) on the sale of fixed assets	<u>14,212</u>	<u>(349)</u>
	168,903	160,704
	<u> </u>	<u> </u>
Auditors' remuneration		
- Audit fees	19,078	17,900
- Other services	1,960	850
Operating lease rentals		
- Hire of plant, equipment and vehicles	38,467,993	43,471,525
	<u> </u>	<u> </u>
 4 Interest receivable		
Group company	911,004	824,362
Other interest	<u>1,842</u>	<u>-</u>
	912,846	824,362
	<u> </u>	<u> </u>
 5 Interest payable		
Interest payable on loans repayable within 5 years		
Bank overdraft	391,985	602,588
	<u> </u>	<u> </u>

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1994

(continued)

6	Directors and employees	1994	1993
		£	£
	Staff costs including directors' emoluments		
	Wages and salaries	1,857,651	1,658,704
	Social security costs	205,782	196,274
	Pension costs	<u>25,950</u>	<u>24,812</u>
		<u>2,089,383</u>	<u>1,879,790</u>
	Average number of persons employed including executive directors	Number	Number
	Sales and distribution	33	31
	Administration	<u>115</u>	<u>122</u>
		<u>148</u>	<u>153</u>
	Directors' emoluments	£	£
	For management	<u>493,963</u>	<u>394,153</u>
	Emoluments excluding pension contributions are analysed as follows		
	Chairman	<u>Nil</u>	<u>Nil</u>
	Highest paid director	<u>106,083</u>	<u>92,519</u>
	Directors' emoluments were within the ranges	Number	Number
	£0 - £5,000	3	2
	£70,001 - £75,000	-	3
	£75,001 - £80,000	-	1
	£90,001 - £95,000	3	1
	£95,001 - £100,000	1	-
	£105,001 - £110,000	1	-

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1994

(continued)

7	Taxation	1994 £	1993 £
	The taxation charge comprises		
	U.K. corporation tax at 33 % (1993 33 %)	1,674,000	933,000
	Deferred tax	-	(22,000)
	Prior year's adjustment - corporation tax	<u>(13,256)</u>	<u>-</u>
		<u>1,660,744</u>	<u>911,000</u>
8	Tangible fixed assets	Plant, machinery, equipment and motor vehicles £	
	Cost		
	1 January 1994	1,488,900	
	Additions	102,785	
	Disposals	<u>(45,276)</u>	
	31 December 1994	<u>1,546,409</u>	
	Depreciation		
	1 January 1994	1,006,100	
	Charge for the year	154,691	
	Disposals	<u>(31,064)</u>	
	31 December 1994	<u>1,129,727</u>	
	Net book amount		
	31 December 1994	<u>416,682</u>	
	31 December 1993	<u>482,800</u>	
9	Debtors	1994 £	1993 £
	Trade debtors	538,202	1,423,336
	Amount owed by ultimate parent undertaking	4,317,517	3,238,478
	Amounts owed by fellow subsidiaries	17,150,360	14,172,362
	Prepayments and accrued income	<u>5,242,037</u>	<u>4,853,143</u>
		<u>27,248,116</u>	<u>23,687,319</u>

AUTOLEASE LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1994
(continued)

10 Creditors: amounts falling due within one year	1994 £	1993 £
Bank overdrafts	5,158,668	4,451,978
Trade creditors	4,186,432	5,881,515
Amounts owed to fellow subsidiaries	1,072,180	1,438,488
Corporation tax	1,674,000	1,370,730
Other taxes and social security	350,758	382,746
Accruals	<u>7,779,741</u>	<u>6,343,343</u>
	<u>20,221,779</u>	<u>19,868,800</u>

11 Deferred tax

The deferred tax liability at 31 December 1994 arising on timing differences, calculated on the liability method at 33% (1993 33%) is as follows:

	1994		1993
	Potential (asset)/liability £	Amount provided £	Potential (asset)/liability £
Accelerated capital allowances	14,000	-	26,000
Other timing differences	<u>(194,000)</u>	<u>-</u>	<u>(117,000)</u>
	<u>(180,000)</u>	<u>-</u>	<u>(91,000)</u>

12 Called up share capital

	Authorised		Issued and fully paid
	1994 £	1993 £	1994 £
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1994

(continued)

13	Profit and loss account	£
	Balance at 1 January 1994	3,304,261
	Retained profit for the year	<u>3,141,700</u>
	Balance at 31 December 1994	<u>6,445,961</u>

14 Transactions involving directors

Directors' interest in contracts

No director has had any beneficial interest in any material contract to which the company was a party.

15 Capital commitments

Capital expenditure authorised up to 31 December 1994 but not provided in these financial statements amounted to £Nil (1993 £Nil).

16 Contingent liabilities

The company has given a joint and several guarantee in respect of the indebtedness of the ultimate parent undertaking and a fellow subsidiary undertaking to the The Royal Bank of Scotland plc.

At 31 December 1994 the company was contractually bound to pay future rentals to finance companies in connection with vehicle leasing agreements arranged for customers. The sums payable are secured by various charges over agreements made between the company and its customers which in the ordinary course of business provide the means by which future rental liabilities can be met.

17 Pensions

Pension costs have been assessed in accordance with advice received from the actuary to the schemes on the basis of reviews carried out for the purpose of Statement of Standard Accounting Practice No.24. Pension costs were assessed using the projected unit actuarial costing method based on assumptions including a long term rate of investment return on assets of 9% per annum, a general rate of increase in members' earnings 2% less than this figure, pension increases in accordance with the scheme rules and appropriate allowances for mortality, members leaving service and early retirements.

Actuarial valuations of all schemes are carried out triennially and full details of the valuation at 31 March 1992 appear in the published financial statements of the ultimate parent undertaking.

AUTOLEASE LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1994
(continued)

18 Immediate parent undertaking

The company is a direct subsidiary of Bristol Street Limited, a company incorporated in England.

19 Ultimate parent undertaking

The ultimate parent undertaking is B.S.G. International plc, a company incorporated in England.

The ultimate parent undertaking is a publicly quoted company and copies of its published accounts are available from Seton House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DE.