

AUTOLEASE LIMITED
REPORT AND FINANCIAL STATEMENTS

31 December 1995

Registered number 767474



AUTOLEASE LIMITED

DIRECTORS' REPORT

31 December 1995

The directors present their annual report and the financial statements for the year ended 31 December 1995.

Results and dividends

The profit for the year after taxation amounted to £4,269,572. It is recommended that no dividend be paid and that the profit of £4,269,572 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 £56,851,800 was 1% higher than the previous year. The profit on ordinary activities before taxation amounted to £6,271,442 compared with a profit of £4,802,444 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 1995

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

On 10 April 1995 Mr. A.M. Tucker was appointed as a director of the company.

On 1 May 1995 Mr. S.G. Thompson was appointed as a director of the company.

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

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.

AUTOLEASE LIMITED

DIRECTORS' REPORT

31 December 1995

(continued)

Directors' shareholdings (continued)

The interests of the directors (other than directors of the ultimate parent undertaking) in the share capital of B.S.G. International plc are as follows

	31 December 1995 Ordinary shares of 10p each	31 December 1994 (or at date of appointment) Ordinary shares of 10p each
Beneficial interests		
S.G. Thompson	64,698	58,098
Options held under the B.S.G. International plc Executive Share Option Scheme 1985		
T.J. Jones	153,940	103,940
P.R. Williams	100,985	50,985
A.M. Tucker	150,000	150,000
	<hr/>	<hr/>
Options held under the B.S.G. International plc Savings Related Share Option Scheme 1988		
A. Guest	30,157	30,157
K.B. Hall	39,262	39,262
J.M. Given	9,066	9,066
	<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.


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
1270 Coventry Road
Yardley
Birmingham B25 8JD

By order of the board

 S.D. McCaslin
for B.S.G. Secretarial Services Limited

Secretary

28 March 1996

AUTOLEASE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 December 1995

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 5 to 14 which have been prepared under the accounting policies set out on page 8.

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.

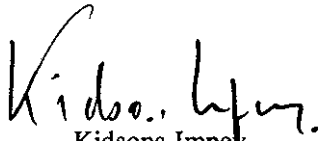
Basis of opinion

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 at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Kidsons Impey

Registered Auditors

Chartered Accountants

Birmingham

28 March 1996

AUTOLEASE LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1995

	Note	1995 £	1994 £
Turnover	2	56,851,800	56,292,529
Cost of sales		(46,573,234)	(49,443,352)
Gross profit		<u>10,278,566</u>	<u>6,849,177</u>
Administrative expenses		(4,733,489)	(2,567,594)
Operating profit	3	<u>5,545,077</u>	<u>4,281,583</u>
Interest receivable	4	1,004,327	912,846
Interest payable	5	(277,962)	(391,985)
Profit on ordinary activities before taxation		<u>6,271,442</u>	<u>4,802,444</u>
Taxation	7	(2,001,870)	(1,660,744)
Retained profit for the year	13	<u><u>4,269,572</u></u>	<u><u>3,141,700</u></u>

AUTOLEASE LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
31 December 1995

There are no recognised gains or losses other than the profit for the year of £4,269,572 (1994 £3,141,700).

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the year	4,269,572	3,141,700
Opening shareholders' funds	<u>7,445,961</u>	<u>4,304,261</u>
Closing shareholders' funds	<u>11,715,533</u>	<u>7,445,961</u>

AUTOLEASE LIMITED

BALANCE SHEET

at 31 December 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	8		550,038		416,682
Current assets					
Debtors	9	33,899,599		27,248,116	
Cash at bank		<u>6,066</u>		<u>2,942</u>	
		33,905,665		27,251,058	
Creditors: amounts falling due within one year	10	<u>(22,740,170)</u>		<u>(20,221,779)</u>	
Net current assets			<u>11,165,495</u>		<u>7,029,279</u>
			11,715,533		7,445,961
Capital and reserves (equity)					
Called up share capital	12	1,000,000		1,000,000	
Profit and loss account	13	<u>10,715,533</u>		<u>6,445,961</u>	
Total shareholders' funds			<u>11,715,533</u>		<u>7,445,961</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 28 March 1996

R.E.C. Marton - Director

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

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 lease 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.

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 1995
(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	1995	1994
	£	£
Operating profit is stated after charging		
Depreciation of tangible fixed assets		
- Owned assets	140,438	154,691
Loss on the sale of fixed assets	-	14,212
Auditors' remuneration		
- Audit fees	39,684	19,078
- Other services	2,026	1,960
Operating lease rentals		
- Hire of plant, equipment and vehicles	39,554,747	38,467,993
	<u> </u>	<u> </u>
 4 Interest receivable		
Group company	1,004,019	911,004
Other interest	<u>308</u>	<u>1,842</u>
	1,004,327	912,846
	<u> </u>	<u> </u>
 5 Interest payable		
Interest payable on loans repayable within 5 years		
Bank overdraft	181,108	199,460
Other	<u>96,854</u>	<u>192,525</u>
	277,962	391,985
	<u> </u>	<u> </u>

AUTOLEASE LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1995
(continued)

6	Directors and employees	1995	1994
		£	£
	Staff costs including directors' emoluments		
	Wages and salaries	2,580,293	1,857,651
	Social security costs	263,454	205,782
	Pension costs	<u>53,332</u>	<u>25,950</u>
		2,897,079	2,089,383
		<hr/>	<hr/>
	Average number of persons employed including executive directors	Number	Number
	Sales and distribution	30	33
	Administration	<u>113</u>	<u>115</u>
		143	148
		<hr/>	<hr/>
	Directors' emoluments	£	£
	For management	413,250	493,963
		<hr/>	<hr/>
	Emoluments excluding pension contributions are analysed as follows		
	Chairman	Nil	Nil
		<hr/>	<hr/>
	Highest paid director	82,578	106,083
		<hr/>	<hr/>
	Directors' emoluments were within the ranges	Number	Number
	£0 - £5,000	4	3
	£25,001 - £30,000	1	-
	£70,001 - £75,000	3	-
	£75,001 - £80,000	1	-
	£80,001 - £85,000	1	-
	£90,001 - £95,000	-	3
	£105,001 - £110,000	-	1

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

7	Taxation	1995	1994
		£	£
	The taxation charge comprises		
	U.K. corporation tax at 33% (1994 33%)	2,003,000	1,674,000
	Prior year's adjustment - corporation tax	<u>(1,130)</u>	<u>(13,256)</u>
		<u>2,001,870</u>	<u>1,660,744</u>
8	Tangible fixed assets	Plant, machinery, equipment and motor vehicles	
		£	
	Cost		
	1 January 1995	1,546,409	
	Additions	<u>273,794</u>	
	31 December 1995	<u>1,820,203</u>	
	Depreciation		
	1 January 1995	1,129,727	
	Charge for the year	<u>140,438</u>	
	31 December 1995	<u>1,270,165</u>	
	Net book amount		
	31 December 1995	<u>550,038</u>	
	31 December 1994	<u>416,682</u>	
9	Debtors	1995	1994
		£	£
	Trade debtors	1,077,023	538,202
	Amount owed by ultimate parent undertaking	7,352,433	4,317,517
	Amounts owed by fellow subsidiary undertakings	20,479,968	17,150,360
	Prepayments and accrued income	<u>4,990,175</u>	<u>5,242,037</u>
		<u>33,899,599</u>	<u>27,248,116</u>

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

10 Creditors: amounts falling due within one year	1995 £	1994 £
Bank overdraft (note)	5,268,505	5,158,668
Trade creditors	5,692,167	4,186,432
Amounts owed to fellow subsidiary undertakings	188,535	1,072,180
Corporation tax	1,833,342	1,674,000
Other taxes and social security	746,325	350,758
Accruals	<u>9,011,296</u>	<u>7,779,741</u>
	<u>22,740,170</u>	<u>20,221,779</u>

Note

The bank overdraft is secured by a joint and several guarantee with the ultimate parent undertaking and a fellow subsidiary.

11 Deferred tax

The deferred tax liability at 31 December 1995 arising on timing differences, calculated on the liability method at 33 % (1994 33 %) is as follows:

	1995		1994
	Potential (asset)/liability £	Amount provided £	Potential (asset)/liability £
Accelerated capital allowances	17,000	-	14,000
Other timing differences	<u>(82,000)</u>	<u>-</u>	<u>(194,000)</u>
	<u>(65,000)</u>	<u>-</u>	<u>(180,000)</u>

12 Called up share capital

	Authorised		Issued and fully paid
	1995 £	1994 £	1995 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

13	Profit and loss account	£
	Balance at 1 January 1995	6,445,961
	Retained profit for the year	<u>4,269,572</u>
	Balance at 31 December 1995	<u>10,715,533</u>

14 Transactions involving directors

Directors' interest in contracts

No director, either during or at the end of the financial year, was materially interested in any significant contract to which the company was a party.

15 Capital commitments

Capital expenditure authorised up to 31 December 1995 but not provided in these financial statements amounted to £Nil (1994 £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 1995 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 1995 appear in the published financial statements of the ultimate parent undertaking.

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

18 Immediate and intermediate parent undertaking

The company is a wholly owned subsidiary of Bristol Street Second Investments Limited, which itself is a wholly owned subsidiary of an intermediate parent undertaking Bristol Street Limited.

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.