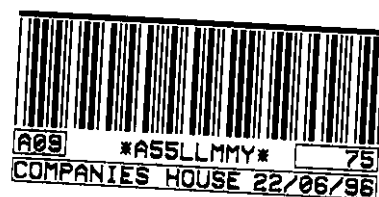


**BHS LEASING (1993) LIMITED**

**(Registered No. 1521055)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1995**



# **BHS LEASING (1993) LIMITED**

## **REPORT OF THE DIRECTORS**

### **FOR THE YEAR ENDED 31 DECEMBER 1995**

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

#### **1. Principal activity**

The principal activity of the company is leasing .

#### **2. Review of the business**

The company leased equipment on operating leases until 6th June 1995 when the operating leases were cancelled and replaced by finance leases.

The Directors consider the development of the company during the year to be satisfactory, and do not foresee any significant changes in the forthcoming year.

#### **3. Results and dividends**

The profit for the year, after taxation, amounted to £59,745 (1994 - loss £1,410).

No dividend is proposed for 1995 (1994 - £nil).

#### **4. Fixed assets**

The changes in fixed assets during the year are summarised in note 5 to the financial statements.

#### **5. Directors and directors' interests**

The names of persons who were directors at any time during the year are as follows:

Mrs S C Ellen	(Resigned 29/09/95)	
Mr F A Kee		
Mr R I Watson	(Resigned 18/10/95)	
Mr R I Burns	(Resigned 18/10/95)	
Mr M A Hall	(Resigned 18/10/95)	
Mr E W Lea	(Appointed 18/10/95)	(Chairman)
Mr J P Davies	(Appointed 18/10/95)	
Mr M Ellerby	(Appointed 18/10/95)	
Mr A D Walford	(Appointed 18/10/95)	

There were no directors' interests requiring disclosure under Section 234 of the Companies Act 1985.

#### **6. Directors' and officers' liability insurance**

During the year the company's ultimate holding company, The British United Provident Association Limited, purchased insurance on behalf of the directors and officers of BUPA and its subsidiary undertakings, as permitted under Section 310 of the Companies Act 1985.

**7. Auditors**

In accordance with Section 384 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.

Registered Office :  
15 Essex Street  
London WC2R 3AU

By order of the Board

A handwritten signature in dark ink, appearing to read 'F. A. Kee', written in a cursive style.

F A. Kee  
Secretary

14 March 1996

## **BHS LEASING (1993) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The following statement, which should be read in conjunction with the auditors' report set out on page 4, is made for the purpose of clarifying the respective responsibilities of the Directors and the auditors in the preparation of the financial statements.

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 of the company 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 ; and
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## REPORT OF THE AUDITORS

### TO THE MEMBERS OF BHS LEASING (1993) LIMITED

We have audited the financial statements set out on pages 5 to 15.

#### 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 affairs of the company as 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.

London

14 March 1996



KPMG  
Chartered Accountants  
Registered Auditors

**BHS LEASING (1993) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1995**

	Note	1995 £	1994 £
Turnover		517,239	986,482
Operating Charges	2	<u>(415,227)</u>	<u>(985,591)</u>
Operating profit		102,012	891
Loss on disposal of fixed assets		(4,200)	(2,790)
Profit/(loss) on ordinary activities before taxation	2	<u>97,812</u>	<u>(1,899)</u>
Tax on profit/(loss) on ordinary activities	4	<u>(38,067)</u>	<u>489</u>
Retained profit/(loss) for the year	11	<u><u>59,745</u></u>	<u><u>(1,410)</u></u>

There were no recognised gains and losses other than the profit for the financial year.

There were no material differences between reported profit and losses and historical profit and losses on ordinary activities before and after taxation.

**BHS LEASING (1993) LIMITED**

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**FOR THE YEAR ENDED 31 DECEMBER 1995**

	1995 £	1994 £
Profit/(loss) for the financial year	59,745	(1,410)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	59,745	(1,410)
Opening shareholders' funds	(59,269)	(57,859)
	<hr/>	<hr/>
Closing shareholders' funds	476	(59,269)
	<hr/>	<hr/>

**BHS LEASING (1993) LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 1995**

	<i>Note</i>	1995 £	£	1994 £	£
<b>Fixed assets</b>					
Tangible assets	5		-		3,833,928
<b>Current assets</b>					
Debtors	6	2,447,333		739,820	
Cash in hand and at bank		404		11,197	
		<u>2,447,737</u>		<u>751,017</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,233,562)</u>		<u>(4,349,831)</u>	
<b>Net current assets/(liabilities)</b>			<u>214,175</u>		<u>(3,598,814)</u>
<b>Debtors are analysed as follows :</b>					
Due within one year	6	841,012		739,820	
Debtors due after one year	6	1,606,321		-	
<b>Total assets less current liabilities</b>			214,175		235,114
<b>Provisions for liabilities and charges</b>	9		<u>(213,699)</u>		<u>(294,383)</u>
<b>Net assets</b>			<u><u>476</u></u>		<u><u>(59,269)</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Profit and loss account	11		<u>376</u>		<u>(59,369)</u>
<b>Equity shareholders' funds</b>			<u><u>476</u></u>		<u><u>(59,269)</u></u>

These financial statements were approved by the Board of Directors on 14 March 1996 and were signed on its behalf by



F A Kee

Director

The accounting policies and notes on pages 8 to 15 form part of these Financial Statements.



# **BHS LEASING (1993) LIMITED**

## **STATEMENT OF ACCOUNTING POLICIES**

### **FOR THE YEAR ENDED 31 DECEMBER 1995**

**(a) Basis of preparation**

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

**(b) Cash flow statement**

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of The British United Provident Association Limited, and its cash flows are included within the consolidated cash flow statement of that company.

**(c) Turnover**

Turnover represents the gross earnings from finance leases and the aggregate rentals receivable in respect of operating leases. All turnover arises within the United Kingdom and the Republic of Ireland.

**(d) Fixed assets and depreciation**

Fixed assets are stated at cost. Depreciation is provided to write down the cost of the assets to their estimated residual value on a straight line basis over their expected lives. The annual rates applicable are :

Equipment	- 12.5% - 33.3%
-----------	-----------------

**(e) Taxation**

The charge for taxation is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that a liability will crystallise. It is expected that trading losses surrendered will be made on a full payment basis.

**(f) Operating leases**

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred. Assets leased to other group undertakings under operating leases are included in tangible fixed assets and are stated at historical cost. Revenue is recognised on an accruals basis.

**BHS LEASING (1993) LIMITED**

**STATEMENT OF ACCOUNTING POLICIES - continued**

**FOR THE YEAR ENDED 31 DECEMBER 1995**

**(g) Finance leases**

The gross earnings from finance leases are recognised in the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

The investment in finance leases is stated in the balance sheet at the total of the gross minimum lease payments receivable under such agreements, less finance income allocated to future periods.

**(h) Residual interests**

In the majority of cases under the finance lease arrangements, BHS Leasing (1993) Limited retains an interest in the residual value of the leased asset. No recognition is made in the financial statements of any profit attributable to the estimated future disposal proceeds of equipment which will be returned to BHS Leasing (1993) Limited at the termination of the lease or from rentals resulting from anticipated secondary leases until these are realised.

# **BHS LEASING (1993) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Ultimate holding company**

The company is a subsidiary undertaking of The British United Provident Association Limited, which is registered in England and Wales.

The only group in which the results of the company are consolidated is that headed by The British United Provident Association Limited. A copy of the consolidated financial statements of this company are available to the public from The Registrar of Companies, Cardiff, CF4 3UZ.

### **2. Profit/(loss) on ordinary activities before taxation**

	1995 £	1994 £
<b>Profit/(loss) on ordinary activities is stated</b>		
<i>after charging:</i>		
Depreciation and other amounts written off tangible fixed assets :		
Owned	412,394	981,583
Auditors' remuneration:		
Audit	2,574	3,290
Other operating charges	259	718
	<u>415,227</u>	<u>985,591</u>
<i>after crediting:</i>		
Rentals receivable under operating leases	(411,257)	(986,482)
Gross earnings under finance leases	(105,982)	-
	<u>(517,239)</u>	<u>(986,482)</u>

The aggregate rentals receivable under finance leases are as follows :

	1995 £	1994 £
Finance charges	-	-
Capital repayments	(1,070,133)	-
	<u>(1,070,133)</u>	<u>-</u>

## **BHS LEASING (1993) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **3. Staff costs and Directors' remuneration**

The company had no employees during the year (1994 : nil) and consequently incurred no staff costs. No remuneration was paid to any of the directors for the year (1994 : £nil).

#### **4. Taxation**

The taxation charge is based on the result for the year :

	1995	1994
	£	£
UK corporation tax at 33% (1994 : 33%)	113,361	12,079
Deferred taxation	(74,894)	(12,568)
	<hr/> 38,467	<hr/> (489)
Taxation (over)/under provided in previous years :		
Corporation tax	5,390	(76,195)
Deferred taxation	<hr/> (5,790)	<hr/> 76,195
	<hr/> <hr/> 38,067	<hr/> <hr/> (489)

**BHS LEASING (1993) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**5. Tangible fixed assets**

	Equipment
<b>Cost</b>	£
At 1 January 1995	5,094,436
Additions	(10,835)
Disposals	<u>(5,083,601)</u>
At 31 December 1995	<u>-</u>
<b>Depreciation</b>	
At 1 January 1995	1,260,508
Charge for the year	412,394
On disposals	<u>(1,672,902)</u>
At 31 December 1995	<u>-</u>
<b>Net Book Value</b>	
At 31 December 1995	<u>-</u>
At 31 December 1994	<u>3,833,928</u>

**BHS LEASING (1993) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****6. Debtors**

	1995 £	1994 £
<b>Amounts falling due within one year:</b>		
Finance lease receivables	840,227	-
Other debtors	785	2,350
Prepayments and accrued income	-	737,470
	<u>841,012</u>	<u>739,820</u>
 <b>Amounts falling due after more than one year:</b>		
Finance lease receivables	<u>1,606,321</u>	<u>-</u>

**7. Investments in finance agreements**

The company's investments in finance leases can be allocated as follows :

	1995 £	1994 £
Minimum lease payments	2,722,952	-
Finance income allocated to future periods	(276,404)	-
	<u>2,446,548</u>	<u>-</u>
 Of which due within one year	<u>840,227</u>	<u>-</u>
Lease payments receivable in year	<u>1,070,133</u>	<u>-</u>
Cost of equipment acquired during the year	<u>3,410,699</u>	<u>-</u>

**8. Creditors**

	1995 £	1994 £
<b>Amounts falling due within one year :</b>		
Amounts owed to group undertakings	1,899,142	4,275,762
Taxation and social security	113,361	12,079
Accruals and deferred income	221,059	61,990
	<u>2,233,562</u>	<u>4,349,831</u>

**BHS LEASING (1993) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued****9. Provisions for liabilities and charges**

	Taxation including deferred taxation £
At 1 January 1995	294,383
Utilised during year	-
Charge/(credit) for the year	(80,684)
	<hr/>
At 31 December 1995	<u>213,699</u>

The amounts provided for deferred taxation and the amounts not provided are set out below :

	Provided		Not provided	
	1995	1994	1995	1994
	£	£	£	£
Difference between accumulated depreciation and amortisation and capital allowances	-	294,383	-	-
Difference between capital repayments and capital allowances	<u>213,699</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>213,699</u>	<u>294,383</u>	<u>-</u>	<u>-</u>

**10. Share capital**

	1995	1994
	£	£
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
 <b>Allotted, called-up and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

## **BHS LEASING (1993) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued**

#### **11. Reserves**

	Profit and loss account £
At 1 January 1995	(59,369)
Retained profit for the year	59,745
	<hr/>
At 31 December 1995	<hr/> 376 <hr/>

#### **12. Contingent liabilities**

The company has given a guarantee and other undertakings, as part of the Group banking arrangements, in respect of the overdraft of certain other Group companies.