

BHS LEASING (1993) LIMITED

(Registered No. 1521055)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1994



BHS LEASING (1993) LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1994

The Directors present their Report and the audited Financial Statements for the year ended 31st December 1994.

1. Review of the business

The principal activity of the company is leasing activities.

2. Results and Dividends

The loss for the year, after taxation, amounted to £1,410.
No dividend is proposed for 1994 (1993 - £nil).

3. Fixed Assets

The changes in tangible fixed assets during the year are summarised in note 4 to the financial statements.

4. Board of Directors

The names of persons who were members of the Board of Directors at any time during the year are as follows:-

Mrs S.C. Ellen, B.Sc., A.H.S.M. (Chairman)
F.A. Kee, F.C.A. (Appointed 23.09.94)
R.I. Watson, (Appointed 17.10.94)
R.J. Abraham, B.A., A.C.A. (Resigned 23.09.94)
K. Biddlestone, (Resigned 17.10.94)
R.I. Burns, M.A.
M.A. Hall, M.A.

There are no Directors' interests requiring disclosure under Section 234 of the Companies Act 1985.

5. Directors' and Officers' liability insurance

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

6. Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 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.

16th March 1995

F.A. Kee
Secretary

BHS LEASING (1993) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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;
- * 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, KPMG,
TO THE MEMBERS OF BHS LEASING (1993) LIMITED

We have audited the Financial Statements on pages 5 to 12.

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 as at 31st December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

K Pmb

KPMG
Chartered Accountants
Registered Auditors
London

16th March 1995

BHS LEASING (1993) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1994

	Note	1994 £	1993 £
Turnover		986,482	309,232
Operating charges	2	<u>(985,591)</u>	<u>(311,613)</u>
Operating profit/(loss)		891	(2,381)
Loss on disposal of fixed assets	2	<u>(2,790)</u>	<u>(80,453)</u>
Loss on ordinary activities before taxation	2	(1,899)	(82,834)
Tax on loss on ordinary activities	3	<u>489</u>	<u>27,335</u>
Loss on ordinary activities after taxation for the financial year transferred to reserves	9	<u>(1,410)</u>	<u>(55,499)</u>

There were no recognised gains or losses other than the loss for the financial year.

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

The movement in reserves is set out in note 9.

The accounting policies and notes on pages 7 to 12 form part of these Financial Statements.

BHS LEASING (1993) LIMITED
BALANCE SHEET AT 31ST DECEMBER 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Tangible assets	4	3,833,928		3,711,738	
			3,833,928		3,711,738
Current assets					
Debtors	5	739,820		589,571	
Cash at bank and in hand		11,197		44,079	
		751,017		633,650	
Creditors - amounts falling due within one year	6	4,349,831		4,020,101	
Net current liabilities			(3,598,814)		(3,386,451)
Total assets less current liabilities			235,114		325,287
Provisions for liabilities and charges	7	294,383		383,146	
			(294,383)		(383,146)
			(59,269)		(57,859)
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		(59,369)		(57,959)
			(59,269)		(57,859)

These Financial Statements were approved by the Board of Directors on 16th March 1995 and were signed on its behalf by



F.A. Kee - Director

The accounting policies and notes on pages 7 to 12 form part of these Financial Statements.

BHS LEASING (1993) LIMITED

STATEMENT OF ACCOUNTING POLICIES

a) Basis of presentation

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and on a going concern basis in view of a letter of support from BUPA Investments Limited which undertakes to provide or procure such support as is necessary to enable the company to meet its liabilities as they fall due.

b) Cashflow Statement

The company has taken advantage of an exemption under the Financial Reporting Standard No 1 for wholly owned subsidiary companies not to produce a cashflow statement. A consolidated cashflow statement is included in the accounts of The British United Provident Association Limited, the ultimate holding company.

c) Turnover

Turnover represents the total amount earned by the company in the ordinary course of business with other group undertakings for leasing rentals, after deducting value added tax, where applicable. All turnover arises within the United Kingdom.

d) Depreciation

Depreciation is calculated so as to write down the cost of tangible fixed assets to their estimated residual value on a straight line basis over their estimated useful lives. The annual rates applicable are:

Equipment	- 12.5% - 33.3% straight line
-----------	-------------------------------

e) Operating leases

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.

f) Deferred taxation

Provision is made for taxation on timing differences arising from the treatment of certain items for taxation and accounting purposes, where it is considered that the taxation will become payable in the foreseeable future.

BHS LEASING (1993) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1. Ultimate holding company

The ultimate holding company is The British United Provident Association Limited, which is registered in England and Wales. A copy of the consolidated financial statements of that company, which is the only group in which the results of the company are consolidated, may be obtained from The Registrar of Companies, Companies House, Cardiff CF4 3UZ.

2. a) <u>Operating charges</u>	1994 £	1993 £
Depreciation	981,583	307,693
Other operating costs	718	20
Auditors' remuneration for audit work	3,290	3,900
	<u>985,591</u>	<u>311,613</u>
b) <u>Loss on disposal of fixed assets</u>		
Sale of equipment	<u>2,790</u>	<u>80,453</u>

The company had no employees during the year (1993 - nil) and consequently incurred no staff costs.

No remuneration was paid to any of the Directors for the year (1993 - £nil).

BHS LEASING (1993) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

3. Tax on loss on ordinary activities

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

	1994 £	1993 £
Corporation tax at 33% (1993 - 33%)	12,079	(410,481)
Deferred tax	(12,568)	383,146
	<u>(489)</u>	<u>(27,335)</u>
Taxation (under)/over provided in previous years:		
Corporation tax	(76,195)	-
Deferred tax	76,195	-
	<u>(489)</u>	<u>(27,335)</u>

4. Tangible fixed assets

	Equipment £
Cost	
At 1st January 1994	3,999,665
Additions	1,136,787
Disposals	(42,016)
	<u>5,094,436</u>
At 31st December 1994	
Depreciation	
At 1st January 1994	287,927
Charge for year	981,583
On disposals	(9,002)
	<u>1,260,508</u>
At 31st December 1994	
Net book value at 31st December 1994	<u>3,833,928</u>
Net book value at 31st December 1993	<u>3,711,738</u>

All fixed assets are held for use in operating leases.

BHS LEASING (1993) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

5. Debtors

Debtors less than one year :

	1994 £	1993 £
Accrued income	737,470	340,532
Other debtors	2,350	249,039
	<u>739,820</u>	<u>589,571</u>

6. Creditors

Falling due within one year:

	1994 £	1993 £
Amounts owed to Group undertakings	4,275,762	2,622,988
Corporation tax	12,079	-
Trade creditors	-	39,137
Accruals	61,990	1,357,976
	<u>4,349,831</u>	<u>4,020,101</u>

7. Deferred taxation

Full provision for deferred tax has been made for timing differences which will reverse in the foreseeable future. In accounting for deferred tax, it is expected that trading losses surrendered by way of group relief will be made on a full payment basis.

	1994 £	1993 £
At 1st January	383,146	-
(Credit)/charge for the year in the profit and loss account	(88,763)	383,146
At 31st December	<u>294,383</u>	<u>383,146</u>

The deferred tax liability has arisen from accelerated capital allowances.

BHS LEASING (1993) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

8. Share capital

	1994 £	1993 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. Reserves

	Profit & loss account £
Balance at 1st January 1994	(57,959)
Loss for the financial year	<u>(1,410)</u>
Balance at 31st December 1994	<u>(59,369)</u>

10. Reconciliation of movements in Shareholders' Funds for the year

	1994 £	1993 £
Loss for the financial year	<u>(1,410)</u>	<u>(55,499)</u>
Net reduction to Shareholders' Funds	(1,410)	(55,499)
Opening Shareholders' Funds	<u>(57,859)</u>	<u>(2,360)</u>
Closing Shareholders' Funds	<u>(59,269)</u>	<u>(57,859)</u>

BHS LEASING (1993) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

11. Capital commitments

	1994 £	1993 £
Contracts placed for future capital expenditure	-	743,353

12. Contingent Liabilities

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