

Genesta Leasing Limited

**Annual Report and Financial Statements
For the Year Ended 29th March 2016**



Genesta Leasing Limited

Report and Financial Statements **For the Year Ended 29th March 2016**

Contents	Page
Report of the Directors.....	2
Independent auditors' report to the members of Genesta Leasing Limited	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Genesta Leasing Limited

Report of the Directors

The directors present their report and audited financial statements for the year ended 29th March 2016. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal Activities and Business Review

During the year the principal activity of the Company was leasing.

The policy of reducing the amount of new business that is accepted has continued this year. The Company's business is profitable but at a lower level due to the reduced level of activity. The potential returns from leasing returns will be monitored and if these are considered attractive compared to credit risk, consideration will be given to investing in new business.

Risks and Uncertainties

The Company's activities expose it to credit risk and in the present economic climate, the directors have decided to reduce the amount of new business that is accepted to reduce the risk. Liquidity risk is managed by maintaining sufficient cash to meet liabilities as they fall due.

Key Performance Indicators

The Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the business performance or position of the business of Genesta Leasing Limited.

Dividends and Transfers to Retained Earnings

The profit for the financial year amounted to £413 (2015: loss £3,730). No dividend has been paid in the year (2015: no dividend paid), and the profit for the financial year of £413 (2015: loss £3,730) has been taken to retained earnings to leave a balance of £96,271 (2015: £95,858) at the year end.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:-

- P. L. Wyman - Chairman
- R. H. Dudley
- C. N. B. Lacey

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Genesta Leasing Limited

Disclosure of information to auditors

Each of the company's directors in office as at the date of this report confirms that:-

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

- The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The directors will propose a motion re-appointing the auditors as a meeting of the directors.
- The report was approved by the directors on 27 October 2016 and signed on their behalf by:

By order of the board



N. J. C. Pollock

Company Secretary

27 October 2016

Genesta Leasing Limited

Independent auditors' report to the members of Genesta Leasing Limited

Report on the financial statements

Our Opinion

In our opinion, Genesta Leasing Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 29 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Report (the "Annual Report"), comprise:

- the Statement of Financial Position as at 29 March 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate of our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Genesta Leasing Limited

Independent auditors' report to the members of Genesta Leasing Limited continued

Other matters on which we are required to report by exception (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006, we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

Genesta Leasing Limited

Independent auditors' report to the members of Genesta Leasing Limited continued

What an audit of financial statements involves (continued)

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Julian S Jenkins (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

27 October 2016

Genesta Leasing Limited

Statement of Comprehensive Income For the Period Ended 29 March 2016

	Note	2016 £	2015 £
Turnover	4	1,650	11,978
Gross profit		1,650	11,978
Administrative expenses	5	(1,344)	(12,242)
Operating profit/(loss) and profit/(loss) on ordinary activities before taxation		306	(264)
Tax on profit on ordinary activities	7	107	(3,466)
Profit for the financial year		413	(3,730)

All items dealt with in arriving at the operating profit for 2016 and operating loss for 2015 relate to continuing operations.

The Company has no other comprehensive income.

The notes on pages 11 to 18 form part of these financial statements.

Genesta Leasing Limited

Statement of Financial Position As at 29 March 2016

	Note	2016 £	2015 £
Current Assets			
Trade and other receivables	8	3,097,081	3,054,493
Cash at bank and in hand		1,977	51,411
		3,099,058	3,105,904
Trade and other payables falling due within one year	9	(2,787)	(10,046)
Net Assets		3,096,271	3,095,858
Equity			
Called-up share capital	12	3,000,000	3,000,000
Retained earnings		96,271	95,858
Total Equity		3,096,271	3,095,858

The notes on pages 11 to 18 are an integral part of these financial statements. The financial statements on pages 8 to 18 were authorised for issue by the Board of Directors on 27 October 2016 and were signed on its behalf by:-

Directors:



P. L. Wyman



C. N. B. Lacey

Genesta Leasing Limited

Company Registration Number 01749384

Genesta Leasing Limited

Statement of Changes in Equity As at 29 March 2016

	Called Up Share Capital £	Retained Earnings £	Total £
Balance as at 30 March 2014	3,000,000	99,588	3,099,588
Loss for the year	-	(3,730)	(3,730)
Balance as at 29 March 2015	3,000,000	95,858	3,095,858
Balance as at 30 March 2015	3,000,000	95,858	3,095,858
Profit for the year	-	413	413
Balance as at 29 March 2016	3,000,000	96,271	3,096,271

Genesta Leasing Limited

Notes to the Financial Statements for the Year Ended 29 March 2016

1. General Information

The principal activity of Genesta Leasing Limited ("the company") is to lease equipment.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 14 Bolton Street, London W1J 8BF.

2. Statement of Compliance

The individual financial statements of Genesta Leasing Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of Significant Accounting Policies

3.1 Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 15.

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The principal accounting policies, which have been applied consistently throughout the year, are set out below:-

3.2 Exemption for qualifying entities under FRS 102

The LLP has taken advantage of the exemption under FRS 102, section 7, from preparing a statement of cash flows, on the basis that it is a wholly owned subsidiary of another company incorporated in Great Britain.

3.3 Finance Leases

Leases are categorised as finance leases when the minimum lease payments receivable, discounted at a commercial interest rate, constitute substantially all of the purchase price.

The investment in finance leases is stated as the sum of the total minimum lease payments receivable under such leases, less finance charges payable by the lessee.

Gross earnings arising on leases are allocated to accounting periods using the investment period method so as to produce a constant periodic rate of return on the net cash investment for each respective lease in each accounting period.

Genesta Leasing Limited

Notes to the Financial Statements for the Year Ended 29 March 2016 cont'd

3. Summary of Significant Accounting Policies (continued)

3.4 Taxation including Deferred Tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3.5 Revenue Recognition

Turnover represents the gross earnings on leases as allocated to each accounting year using the investment period method stated above.

3.6 Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment.

Genesta Leasing Limited

Notes to the Financial Statements for the Year Ended 29 March 2016 cont'd

3. Summary of significant accounting policies (continued)

3.6 Financial instruments (continued)

If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets' original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income. Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3.7 Related Party

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. Turnover and Profit/(Loss) before Taxation

Turnover and operating profit is derived solely from leasing activities and is all operated in the United Kingdom.

The aggregate finance lease payments receivable in the year amounted to £55,734 (2015: £118,000).

Genesta Leasing Limited

Notes to the Financial Statements for the Year Ended 29 March 2016 cont'd

5. Operating Profit/(Loss)

The auditors' remuneration for audit of £2,000 (2015: £2,000) is borne by the ultimate holding company, Sir Richard Sutton Limited.

The average number of employees during the year was Nil (2015: Nil).

6. Directors' Remuneration

No remuneration was paid to the directors during the current or previous year.

7. Taxation on Profit/(Loss) on Ordinary Activities

a. Analysis of Charge/(Credit) for the Year

	Note	2016 £	2015 £
Current tax			
- United Kingdom Corporation Tax on Profit/(Loss) for the financial year		(22,404)	3,485
- Adjustments in respect of prior years		(168)	-
Total current tax charge/(credit)		(22,572)	3,485
Deferred Tax	10		
Origination and reversal of timing differences:			
- Current Year		22,465	(3,540)
- Prior Year		-	(37)
Change in tax rate (21% to 20%)		-	3,558
		(107)	3,466

Genesta Leasing Limited

Notes to the Financial Statements for the Year Ended 29 March 2016 cont'd

7. Taxation on Profit/(Loss) on Ordinary Activities (continued)

b. Reconciliation of tax charge

The tax assessed for the year is lower (2015: higher) than the standard rate of Corporation Tax in the UK 20% (2015: 21%). The differences are explained below:-

	2016 £	2015 £
Loss on ordinary activities before tax	306	(264)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 20% (2015: 21%)	61	(55)
- Factors affecting the tax charge (see below)	(168)	3,521
Total tax charge for the year	(107)	3,466

	2016 £'000	2015 £'000
Factors affecting tax charge:-		
Current tax:		
Adjustments to tax charge in respect of prior years	(168)	-
Capital allowance in the year in excess of depreciation	(22,465)	3,540
Deferred tax:		
Origination and reversal of timing differences	22,465	(3,577)
Change in tax rate	-	3,558
	(168)	3,521

Factors that may affect future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

Genesta Leasing Limited

Notes to the Financial Statements for the Year Ended 29 March 2016 cont'd

8. Receivables

	2016 £	2015 £
Amounts falling due within one year:-		
Finance leases	-	54,084
Amount owed by group undertaking	3,026,269	2,929,561
Group relief	22,404	-
Other taxation and social security	480	-
Prepayments and accrued income	-	455
	<hr/>	<hr/>
	3,049,153	2,984,100
Amounts falling due after more than one year:-		
Deferred taxation	47,928	70,393
	<hr/>	<hr/>
	3,097,081	3,054,493
	<hr/>	<hr/>

The cost of assets acquired during the year for the purpose of letting under finance leases amounted to £Nil (2015 £Nil).

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

9. Payables: Amounts falling due within one year

	2016 £	2015 £
Trade payables	2,787	2,788
Other taxation and social security	-	3,773
Corporation tax	-	3,485
	<hr/>	<hr/>
	2,787	10,046
	<hr/>	<hr/>

Genesta Leasing Limited

Notes to the Financial Statements for the Period Ended 29 March 2016 cont'd

10. Deferred Taxation

	Note	Asset	
		2016 £	2015 £
Tax effect on timing differences arising on:-			
Difference between net investment in leases and tax written down value		47,928	70,393
The movements on the deferred tax asset account are as follows:-			
		2016 £	2015 £
Opening balance		70,393	70,374
Transfer to the statement of comprehensive income	7	(22,465)	19
Closing balance		47,928	70,393
Disclosed as debtors:-			
Amount falling due after more than one year		47,928	70,393

11. Financial Instruments

	2016 £'000	2015 £'000
Financial assets that are debt instruments measured at amortised cost:		
Finance Leases	-	54,084
Amounts owed by Group undertakings	3,026,269	2,929,561
Bank and Cash	1,977	51,411
	3,028,246	3,035,056
Financial liabilities measured at amortised cost:		
Trade payables	(2,787)	(10,046)
	(2,787)	(10,046)

Genesta Leasing Limited

Notes to the Financial Statements for the Period Ended 29 March 2016 cont'd

12. Called-up Share Capital

	2016 £	2015 £
Authorised 10,000,000 (2015: 10,000,000) ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called-up and fully paid 3,000,000 (2015: 3,000,000) ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

13. Related Parties

The Group has exercised the exemption under paragraph 33.1A from the provisions of FRS 102 not to disclose transactions between Group companies. Such transactions are not disclosed as they are transactions between entities under common control, and which are included in the published financial statements of the Group.

14. Ultimate Holding Company.

The whole of the issued share capital of the Company is owned by Sir Richard Sutton Limited, a company incorporated in England which is the ultimate parent company and controlling party. Sir Richard Sutton Limited is the only Company to consolidate the Company's financial statements. Copies of the ultimate parent company's consolidated financial statements may be obtained from the Secretary, Sir Richard Sutton Limited, 14 Bolton Street, Piccadilly, London, W1J 8BF.

15. Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 29 March 2015. The date of transition to FRS 102 was 30 March 2014. There are no changes in accounting policies which reconcile profit for the financial year ended 29 March 2015 and the total equity as at 30 March 2014 and 29 March 2015 between UK GAAP as previously reported and FRS 102.