

**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
**(Formerly known as Warburg Industrial Leasing Company (Number 1) Ltd)**

**REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 1996**



**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
**(formerly Warburg Industrial Leasing Company (Leasing) (Number 1) Limited)**

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 1996.

**CHANGE OF NAME**

The company changed its name on 22 December 1995 Warburg Industrial Leasing Company (Number 1) Limited to Kleinwort Benson Leasing March (2) Limited.

**CHANGE OF OWNERSHIP**

On 22 December 1995 the whole of the issued share capital and the business of the company was acquired by Kleinwort Benson Leasing Limited.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is leasing.

**RESULTS AND DIVIDENDS**

The results of the company for the year are set out in detail on page 5.

The directors do not recommend the payment of a dividend (1995 : Nil). The retained profit for the year of £116,518 (1995 : £65,688) will be transferred to reserves.

**DIRECTORS AND DIRECTORS' INTERESTS**

The directors who held office during the year were as follows:-

N G Aiken (appointed 4 October 1995)  
M R Hardwick  
P G Myall (appointed 22 December 1995)  
P D Read  
K J Whiting (appointed 4 October 1995)

D M M Beever and S W d.M Leathes resigned on 13 October 1995 and 8 September 1995 respectively.

None of the directors had any disclosable interests in the shares or debentures of any group company. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent company, Dresdner Bank AG, as it is incorporated outside the UK.

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**DIRECTORS' REPORT (continued)**

**AUDITORS**

Ernst & Young resigned as auditors of the company on 22 December 1995 and Coopers & Lybrand were appointed in their place.

The company has passed an elective resolution in accordance with section 379A of the Companies Act 1985 to dispense with the annual appointment of the auditors; accordingly Coopers & Lybrand will remain in office.

Approved by the Board of Directors  
and signed on behalf of the board

*A Morrison*

A Morrison  
Secretary

*24 OCTOBER* 1996

**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 as at the end of the financial year 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;
- prepare the financial statements on a 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.

**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
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**AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

**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**

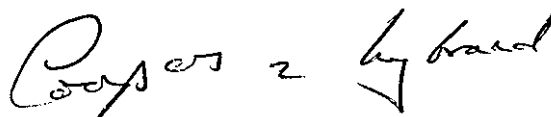
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 31 March 1996, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand  
Chartered Accountants  
and Registered Auditors



Embankment Place  
London

28 October 1996

**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
**(formerly Warburg Industrial Leasing Company (Leasing) (Number 1) Limited)**

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b>	2	7,025,115	8,920,642
Cost of sales	3	5,781,390	7,407,446
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		1,243,725	1,513,196
Other operating income		37,074	111,367
Administrative expenses	4	(1,119,226)	(1,479,619)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		161,573	144,944
Interest receivable and similiar income	5	12,335	-
Interest payable and similiar charges	6	-	(47,263)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		173,908	97,681
Taxation charge	7	57,390	31,993
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	13	116,518	65,688
		<hr/>	<hr/>

All amounts stated above derive from continuing activities.

There are no recognised gains or losses for the year or the previous year other than the profit on ordinary activities after taxation disclosed above. Accordingly no statement of total recognised gains and losses is given.

A statement showing the movement in the profit and loss account reserve is set out in note 13 on page 11.

The notes on pages 7 to 11 form an integral part of these accounts.

**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
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**BALANCE SHEET**  
**As at 31 March 1996**

	Note	1996 £	1995 £
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		455,099	1,568,488
Debtors - amounts falling due after more than one year	8	68,032,604	87,039,389
- amounts falling due within one year	9	21,638,294	18,327,023
		<hr/>	<hr/>
		90,125,997	106,934,900
<b>CREDITORS: amounts falling due within one year</b>	10	80,119,800	93,866,714
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		10,006,197	13,068,186
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,006,197	13,068,186
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	8,617,811	11,796,318
		<hr/>	<hr/>
<b>NET ASSETS</b>		1,388,386	1,271,868
		<hr/> <hr/>	<hr/> <hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	10,000	10,000
Profit and loss account	13	1,378,386	1,261,868
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		1,388,386	1,271,868
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These financial statements were approved by the Board of Directors on 24 October 1996

Signed on behalf of the Board of Directors



P G Myall - Director

The notes on pages 7 to 11 form an integral part of these accounts.

**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
**(formerly Warburg Industrial Leasing Company (Leasing) (Number 1) Limited)**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 1996**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies adopted are described below.

**Accounting Convention**

These financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents finance charges allocated in respect of finance leases in accordance with the accounting policy adopted for finance leases and profits from the sale of leased assets.

**Finance leases**

Investments in finance leases are stated at the gross amount of minimum future rental payments less finance charges allocated to future periods.

Rentals receivable less the capital content thereof are allocated to the profit and loss account over the primary period of the lease to give a constant periodic post-tax rate of return on the net cash investment in the leases.

**Deferred taxation**

Deferred taxation is provided at the estimated rates at which future taxation will become payable on all timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements, to the extent that it is probable that a taxation liability or asset will crystallise in the foreseeable future.

**Cash flow statement**

These financial statements do not include a cash flow statement as the company meets the exemption requirements of Financial Reporting Standard No. 1.



**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
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**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 1996**

<b>2. TURNOVER</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Finance charges allocated in the year	7,025,115	8,920,642
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Agregate rentals receivable in respect of finance leases, were  
£33,291,441 (1995: £39,061,751).

**3. COST OF SALES**

Interest payable to fellow subsidiary undertakings	5,781,390	7,407,446
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**4. ADMINISTRATIVE EXPENSES**

Certain costs of administration up to the date of acquisition by Kleinwort Benson Limited were borne by the then parent undertaking for which a charge is made. Administration costs since acquisition are borne by the parent undertaking. These include the remuneration of the auditors. None of the directors received any emoluments in respect of their services to the company.

**5. INTEREST RECEIVABLE AND  
SIMILAR INCOME**

Interest receivable	12,335	-
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**6. INTEREST PAYABLE AND  
SIMILIAR CHARGES**

Interest payable to parent undertaking	-	47,263
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**KLEINWORT BENSON LEASING MARCH (2) LIMITED**  
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**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 1996**

<b>7. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Taxation is based on the profit for the year and comprises:		
Group relief payable at 33% (1995: 33%)	3,235,897	3,067,456
Deferred taxation	(3,178,507)	(3,093,176)
Notional taxation charge for engrossment of grants and group relief in excess of provision for deferred taxation	-	77,287
Adjustment in respect of prior years:		
- Current taxation	-	(191,299)
- Deferred taxation	-	171,725
	<hr/>	<hr/>
	57,390	31,993
	<hr/>	<hr/>
 <b>8. DEBTORS: amounts falling due after more than one year</b>		
Net investment in finance leases	68,032,604	87,039,389
	<hr/>	<hr/>
 <b>9. DEBTORS: amounts falling due within one year</b>		
Net investment in finance leases	14,314,409	18,002,135
Other debtors	1,923,658	13,988
Amount due from immediate parent undertaking	5,400,227	310,900
	<hr/>	<hr/>
	21,638,294	18,327,023
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The cost of assets acquired in the year for the purpose of leasing under finance leases was £6,578,812 (1995: £5,535,471).

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**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 1996**

<b>10. CREDITORS: amounts falling due within one year</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Amount due to immediate parent undertaking	-	89,620,305
Group relief payable	6,303,354	3,062,375
Other loans	-	475,000
Other creditors and accruals	374	709,034
Amounts due to fellow subsidiary undertaking	71,091,091	-
VAT payable	2,724,981	-
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	80,119,800	93,866,714
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**11 PROVISIONS FOR LIABILITIES AND CHARGES**

**Deferred taxation:**

At 1 April	11,796,318	14,719,542
Transfer to profit and loss account	(3,178,507)	(2,923,224)
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At 31 March	8,617,811	11,796,318
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The above balance represents a full provision for timing differences relating to accelerated capital allowances in respect of leasing transactions.

**12. CALLED UP SHARE CAPITAL**

Authorised:		
10,000 ordinary shares of £1	10,000	10,000
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Allotted and fully paid:		
10,000 ordinary shares of £1	10,000	10,000
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**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 1996**

**13. COMBINED RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES**

	Issued share capital £	Profit and loss account £	Shareholders' funds Total 1996 £	Shareholders' funds Total 1995 £
At beginning of the year	10,000	1,261,868	1,271,868	1,206,180
Profit attributable to members of the company	-	116,518	116,518	65,688
	<hr/>	<hr/>	<hr/>	<hr/>
At the end of the year	10,000	1,378,386	1,388,386	1,271,868
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**14. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking at the end of the year is Dresdner Bank AG, a company incorporated in Germany. For consolidation purposes, Kleinwort Benson Group plc, a company incorporated in Great Britain and registered in England and Wales, is the parent undertaking of the smallest group of which the company is a member. Copies of the consolidated financial statements of both of these companies, for the year ended 31st December 1995, are filed at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.