

2053453

Close Asset Finance Limited

Report and Financial Statements

31 July 2005



Close Asset Finance Limited

Registered No: 2053453

Directors

M J Barley
S P Bishop
S C F Chan
N T H Hamilton
S R Hodges
C D Keogh
L Porter
N G Poxon
R H Stone

Secretary

S C F Chan

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Halifax Bank of Scotland
38 St Andrews Square
Edinburgh EH2 2YR

Barclays Bank
City Markets Team
PO Box 544
54 Lombard Street
London EC3V 9EX

Solicitors

Freshfields Bruckhaus Deringer
65 Fleet Street
London EC4Y 1HS

Registered Office

Tolworth Tower
Surbiton
Surrey KT6 7EL

Directors' report

The directors present their report and financial statements for the year ended 31 July 2005.

Results and dividends

The trading profit before taxation amounted to £9,673,000 (2004 - £10,445,000). An interim dividend of £889,000. (2004 - £8,120,000) was paid in April 2005. The directors recommend a final dividend of £1,500,000 (2004 - £11,700,000).

Principal Activities and review of the business

The principal activities of the company are the provision of instalment credit to business customers. The company has achieved good results in the year and the directors anticipate further growth in the foreseeable future. During the year the company acquired 100% of the ordinary share capital of Kingston Asset Finance Limited.

Directors and their interests

The directors who served during the year were as follows:

M J Barley
S P Bishop
M Booker (resigned 10 September 2005)
S C F Chan
N T H Hamilton
S R Hodges
C D Keogh
L Porter
N G Poxon
R H Stone

C D Keogh and S R Hodges are also directors of Close Brothers Group plc, the ultimate parent undertaking. The interests of these directors in the share capital of Close Brothers Group plc are dealt with in the report of that company.

M J Barley also is a director of Close Brothers Limited, an intermediate parent undertaking. His interest in the share capital of Close Brothers Group plc is dealt with in the report of Close Brothers Limited.

The interests of directors or their families in "B" ordinary shares of Close Asset Finance Limited are:

	31 July 2005	31 July 2004
N G Poxon	856	856

Details of the options to subscribe for ordinary shares of Close Brothers Group plc held by the directors under the company's sharesave scheme and Executive Share Option Purchase Scheme and details of the directors' interests in ordinary shares of Close Brothers Group plc are given in note 5(c) to the financial statements.

Charitable contributions

During the year, the company made various charitable contributions totalling £725 (2004 - £2,904).

Directors' report

Policy and practice on payment of creditors

The company does not follow any stated code on payment practice. It is the company's policy to agree terms of payment with suppliers when agreeing the terms of each transaction and to abide by those terms. Standard terms provide for payment of all invoices within 30 days after the date of the invoice, except where different terms have been agreed with supplier at the outset. There are 6 creditor days of suppliers' invoices outstanding at the year end (2004: 25).

Auditors

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the members at the Annual General Meeting.

By order of the board



Secretary

Statement of directors' responsibilities in respect 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.

Independent auditors' report

to the members of Close Asset Finance Limited

We have audited the company's financial statements for the year ended 31 July 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 31 July 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
Date:

Profit and loss account

for the year ended 31 July 2005

		2005	2004
	Notes	£000	£000
Turnover	2	55,673	57,741
Operating costs		(26,306)	(30,605)
Operating profit		29,367	27,136
Income from investments		200	992
Other income	3	47	31
Interest payable and similar charges	4	(19,881)	(17,714)
Amounts written off investments		(60)	-
Profit on ordinary activities before taxation	5	9,673	10,445
Taxation	6	(2,918)	(3,084)
Profit on ordinary activities after taxation		6,755	7,361
Dividends:			
Dividends paid in the year		(889)	(8,120)
Dividends payable		(1,500)	(11,700)
Retained profit/(loss)		4,366	(12,459)
Retained profit brought forward		55,098	67,557
Retained profit carried forward		59,464	55,098

Statement of total recognised gains and losses

There are no recognised gains and losses other than those recognised in the profit and loss account.

The notes on pages 8 to 19 form part of these financial statements.

Balance sheet

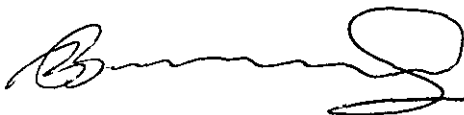
at 31 July 2005

	Notes	2005 £000	2004 £000
Fixed assets			
Tangible assets	7	15,626	8,870
Investments	8	19,639	4,265
		<u>35,265</u>	<u>13,135</u>
Current assets			
Debtors - amounts falling due within one year	9	150,775	155,119
- amounts falling due after more than one year	9	270,158	292,643
Cash at bank and in hand		395	571
		<u>421,328</u>	<u>448,333</u>
Creditors: amounts falling due within one year	12	(392,164)	(401,405)
Net current assets		<u>29,164</u>	<u>46,928</u>
Total assets less current liabilities		<u>64,429</u>	<u>60,063</u>
Capital and reserves			
Called up share capital	13	1,208	1,208
Share premium account	14	3,757	3,757
Profit and loss account	14	59,464	55,098
Shareholders' funds - Equity	14	<u>64,429</u>	<u>60,063</u>

The notes on pages 8 to 19 form part of these financial statements.

The financial statements were approved by the board on 22 September 2005.

Director



Director



Notes to the financial statements

at 31 July 2005

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the SORP 'Accounting issues in the asset finance and leasing industry' issued by the Finance and Leasing Association.

Tangible fixed assets

Fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives as follows:

Fixtures and fittings	- 20% per annum
Computer equipment	- 33.3% per annum
Motor vehicles	- 25% per annum

Initial costs

With the exception of variable interest rate agreements, a fixed percentage of the finance charges relating to hire purchase, finance lease or regulated loan agreements is taken to income on the commencement of a new agreement to match the costs associated with setting-up that agreement.

Loans and advances

Loans and advances are stated net of provisions against doubtful debts which are made on the basis of regular review by management. The provision raised is an estimate of the amount needed to reduce the carrying value of the asset to its expected net realisable value and takes into account management's assessment of a combination of factors including each portfolio structure, characteristics of individual cases, past and expected credit losses and business and economic conditions.

Hire purchase, finance leases and regulated loan agreements

Hire purchase, finance leases and regulated loan agreements are recognised as loans at the minimum lease payments less finance charges. Leasing income, after deduction of initial costs if appropriate, is taken to income by the actuarial method. Finance charges on hire purchase and other agreements are taken to income by the sum-of-digits method which has the approximate effect of recognising such income at a constant rate of return on the capital element.

Finance receivables

Finance receivables are stated net of provisions, which are made on the basis of regular review by management.

Operating leasing assets

Assets on hire to customers under operating lease agreements are treated as fixed assets. The cost of assets on hire under operating lease agreements is depreciated on a straight line basis over the useful economic life of the asset. Income from each lease is allocated to accounting periods over the lease term on a straight line basis.

Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment in value.

Deferred taxation

Deferred taxation is provided in full on material timing differences, at the rates of taxation anticipated to apply when these differences crystallise, arising from the inclusion of items of income and expenditure in taxation computations in periods different from those for which they are included in the financial statements. Deferred tax balances are not discounted.

Notes to the financial statements

at 31 July 2005

1. Accounting policies (continued)

Interest payable and similar charges

Interest payable comprises interest charged on bank loans, overdrafts and other loans together with the interest paid and received on interest rate swap agreements entered into for hedging purposes.

Pensions

The cost of providing pensions is charged to the profit and loss account so as to spread the cost for those employees in defined benefit schemes over the anticipated service lives of those employees. Contributions within defined contribution schemes are charged to the profit and loss account as they become payable, in accordance with the rules of the scheme.

Cashflow statement

The company has taken advantage of the exemption within FRS1 (Revised 1996) for 90% or more owned subsidiaries. Accordingly, it has not presented a cashflow statement.

Group accounting

The company has taken advantage of the exemption available under section 228 of the Companies Act 1985 from preparing group accounts. Accordingly these financial statements only contain information about Close Asset Finance Limited and not its subsidiary undertakings.

2. Turnover

Turnover, which arises wholly in the UK, represents net finance income arising from finance leases, hire purchase contracts and regulated agreements, as well as commission and collection fees, exclusive of VAT.

The analysis of turnover is as follows:

	2005 £000	2004 £000
Hire purchase	23,473	24,766
Lease finance	23,240	23,656
Regulated agreements	363	392
Operating Lease	744	1,057
Variable interest and other income	7,853	7,870
	<u>55,673</u>	<u>57,741</u>

3. Other income

	2005 £000	2004 £000
Bank interest	47	31

Notes to the financial statements

at 31 July 2005

4. Interest payable and similar charges

	2005	2004
	£000	£000
Bank loans, overdrafts and interest rate swap agreements - payable to group undertakings	19,881	17,714

5. Profit on ordinary activities before taxation

(a) This is stated after charging:

	2005	2004
	£000	£000
Auditors' remuneration - as auditors	84	56
- other services	31	92
Depreciation of tangible fixed assets	288	290
Depreciation of assets held for operating leases	2,218	731
Staff costs including executive directors:		
Wages and salaries	9,217	7,930
Social security costs	893	1,096
Other pension costs	488	432
Operating lease rentals payable: Leasehold property rents	327	248

(b) Directors' remuneration:

	2005	2004
	£000	£000
Emoluments	2,040	2,004
Compensation for loss of office	117	-
Company contributions paid to money purchase schemes	93	78
Members of money purchase pension schemes	6	6
Members of defined benefit pension schemes	2	2

The amounts in respect of the highest paid director are:

Emoluments	527	502
Company contributions paid to money purchase schemes	25	19

Notes to the financial statements

at 31 July 2005

5. Profit on ordinary activities before taxation (continued)

(c) Directors' interest in share and share options

Directors' Group share options:

Unexercised options over ordinary shares of Close Brothers Group plc held by directors under the company's sharesave share option scheme were as follows:

	<i>1 August</i>				<i>31 July</i>
	<i>2004</i>	<i>Lapsed</i>	<i>Exercised</i>	<i>Granted</i>	<i>2005</i>
R H Stone	4,200	-	-	-	4,200
N T H Hamilton	2,520	-	-	701	3,221
N G Poxon	2,416	-	-	-	2,416
L Porter	2,416	-	-	-	2,416

The interest of C D Keogh and S R Hodges in unexercised options of Close Brothers Group plc are shown in the financial statements of that company. The interest of M J Barley in unexercised options of Close Brothers Group plc are shown in the financial statements of Close Brothers Limited.

Directors' Group share interest:

Directors' interest in loan stock of Close Brothers Limited were as follows:

	<i>31 July</i>	<i>1 August</i>
	<i>2005</i>	<i>2004</i>
R H Stone	27,000	390,000
N G Poxon	1,549,760	1,777,900

Directors' interest in ordinary shares of Close Brothers Group plc held in own name or spouse's name were as follows:

	<i>31 July</i>	<i>1 August</i>
	<i>2005</i>	<i>2004</i>
N G Poxon	16,814	14,655
R H Stone	1,040	1,783
N T H Hamilton	11,386	5,657

Directors' interest in ordinary shares of Close Brothers Group plc granted under the Group's profit sharing scheme were as follows:

	<i>31 July</i>	<i>1 August</i>
	<i>2005</i>	<i>2004</i>
N G Poxon	1,578	2,618
R H Stone	1,578	2,618
N T H Hamilton	1,287	2,082

Notes to the financial statements

at 31 July 2005

5. Profit on ordinary activities before taxation (continued)

Directors' interest in ordinary shares of Close Brothers Group plc granted under the Group's Executive Share Option Purchase Scheme were as follows:

	31 July 2005	1 August 2004
N G Poxon	116,600	106,600
R H Stone	131,200	111,200
N T H Hamilton	80,600	72,600
S P Bishop	5,000	-
S C F Chan	5,000	-

The interests of C D Keogh and S R Hodges in shares of Close Brothers Group plc are dealt with in the report of that company. The interest of M J Barley in shares of Close Brothers Group plc is dealt with in the report of Close Brothers Limited.

(d) Employee numbers:

The average number of employees during the year was:

	2005 No.	2004 No.
Office and management	45	45
Sales and collections	70	67
	<u>115</u>	<u>112</u>

6. Taxation on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2005 £000	2004 £000
<i>Current Tax</i>		
UK corporation tax	2,464	4,247
Corporation tax overprovided in prior year	91	(2,352)
Total current tax (note 6(b))	<u>2,555</u>	<u>1,895</u>
<i>Deferred Tax</i>		
Deferred tax - current year	416	(1,475)
Prior year adjustment - deferred tax	(53)	2,566
Total deferred tax (note 11)	<u>363</u>	<u>1,091</u>
Tax on profit on ordinary activities	<u>2,918</u>	<u>2,986</u>

Notes to the financial statements

at 31 July 2005

6. Taxation on profit on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK at 30% (2004 - 30%). The differences are reconciled below:

	2005 £000	2004 £000
Profit before tax	9,733	10,119
Expected tax charge at 30%	2,920	3,036
Expenses not deductible for tax purposes	88	34
Capital allowances in excess of depreciation	(269)	1,114
Movement in general provisions	(215)	361
Tax overprovided in previous years	91	(2,352)
Intercompany dividend	(60)	(298)
Corporation tax charge	2,555	1,895

7. Fixed assets

	Motor vehicles £000	Fixtures, fittings and computer equipment £000	Assets held for operating leases £000	Total £000
Cost:				
At 1 August 2004	655	723	8,619	9,997
Additions	250	103	9,615	9,968
Disposals	(370)	-	(611)	(981)
At 31 July 2005	535	826	17,623	18,984
Depreciation:				
At 1 August 2004	183	219	725	1,127
Charge for the year	137	151	2,218	2,506
Disposals	(162)	-	(113)	(275)
At 31 July 2005	158	370	2,830	3,358
Net book value:				
At 31 July 2005	377	456	14,793	15,626
At 31 July 2004	472	504	7,894	8,870

Notes to the financial statements

at 31 July 2005

8. Investments

	<i>Subsidiary undertakings £000</i>
Cost:	
At 1 August 2004	4,265
Additions	15,434
	<hr/>
At 31 July 2005	19,699
	<hr/>
Impairment:	
At 1 August 2004	-
Charge for the year	60
	<hr/>
At 31 July 2005	60
	<hr/>
Net book value:	
At 31 July 2005	19,639
	<hr/> <hr/>
At 31 July 2004	4,265
	<hr/> <hr/>

On 25 February 2005 the company acquired 100% of the ordinary share capital of Kingston Asset Finance Limited.

On 1 September 2004 and 1 March 2005 the company acquired an additional 4% of the ordinary share capital of Braemar Finance Limited. The directors consider this investment to be impaired and accordingly it was fully written down at 31 July 2005.

Notes to the financial statements

at 31 July 2005

8. Investments (continued)

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Country of registration (or incorporation) and operation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<i>Subsidiary undertakings - all held by the company unless indicated:</i>				
Air and General Finance Limited	England and Wales	Ordinary shares	100%	Financing
Air and General Marketing Limited (*)	England and Wales	Ordinary shares	100%	Financing
Air and General Services Limited (*)	England and Wales	Ordinary shares	100%	Financing
Surrey Asset Finance Limited	England and Wales	Ordinary shares	100%	Financing
Braemar Finance Limited	England and Wales	Ordinary shares	91%	Financing
Commercial Finance Credit Limited (**)	England and Wales	Ordinary shares	100%	Financing
Kingston Asset Finance Limited (formerly Cattles Commercial Finance Limited)	England and Wales	Ordinary shares	100%	Financing
Kingston Asset Leasing Limited (+) (formerly Cattles Commercial Leasing Limited)	England and Wales	Ordinary shares	100%	Financing

(*) shares held by Air & General Finance Limited

(**) shares held by Surrey Asset Finance Limited

(+) shares held by Kingston Asset Finance Limited

Notes to the financial statements

at 31 July 2005

9. Debtors

	2005 £000	2004 £000
Finance receivables	408,217	432,802
Prepayments	1,317	674
VAT	-	1,043
Current corporation tax	1,353	215
Other debtors	7,351	9,522
Amounts receivable from group undertakings	-	546
Deferred tax (note 11)	2,695	3,058
	<u>420,933</u>	<u>447,860</u>

Amounts falling due after more than one year included above are:

	2005 £000	2004 £000
Finance receivables	<u>270,158</u>	<u>292,643</u>

Included in finance receivables are the following amounts:

	2005 Gross £000	2005 <i>Unearned</i> charges £000	2005 Net £000	2004 Net £000
HP agreements:				
within one year	89,370	17,937	71,433	70,709
after one year	164,544	19,559	144,985	153,588
	<u>253,914</u>	<u>37,496</u>	<u>216,418</u>	<u>224,297</u>
Finance leases:				
within one year	82,479	17,183	65,296	68,105
after one year	140,706	16,968	123,738	137,598
	<u>223,185</u>	<u>34,151</u>	<u>189,034</u>	<u>205,703</u>
Regulated loans:				
within one year	1,575	245	1,330	1,345
after one year	1,592	157	1,435	1,457
	<u>3,167</u>	<u>402</u>	<u>2,765</u>	<u>2,802</u>
Total:				
within one year	173,424	35,365	138,059	140,159
after one year	306,842	36,684	270,158	292,643
	<u>480,266</u>	<u>72,049</u>	<u>408,217</u>	<u>432,802</u>

Notes to the financial statements

at 31 July 2005

10. Hire purchase contracts and finance leases

The aggregate cost at 31 July 2005 of assets acquired for the purpose of letting under hire purchase contracts or finance leases was £863,741,000 (2004 - £802,744,000).

11. Deferred taxation

	<i>Capital allowances</i>		<i>Short term and other timing differences</i>		<i>Total</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Total deferred tax asset	3,812	4,107	(1,117)	(1,049)	2,695	3,058

The movements in deferred taxation during the current year are as follows:

	<i>£000</i>
At 1 August 2004	3,058
Deferred tax charge in the profit and loss account (note 6(a))	(363)
At 31 July 2005 (note 9)	2,695

12. Creditors: amounts falling due within one year

	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>
Bank overdrafts	1,367	-
Trade creditors	19,509	23,158
Amounts due to parent undertaking	359,610	356,940
Other taxes and social security costs	298	373
Accruals and deferred income	9,880	9,234
Proposed final dividend	1,500	11,700
	392,164	401,405

13. Called up share capital

	<i>Authorised, allotted and fully paid up</i>	
	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each:		
“A” ordinary	1,008	1,008
“B” ordinary	200	200
	1,208	1,208

“A” and “B” shares convey identical rights to the owners and rank pari passu on winding up.

Notes to the financial statements

at 31 July 2005

14. Reconciliation of movements in shareholders' funds

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 1 August 2004	1,208	3,757	55,098	60,063
Transfer from profit and loss account for the year	-	-	4,366	4,366
At 31 July 2005	1,208	3,757	59,464	64,429

15. Pension arrangements

The company makes payments to defined contribution pension schemes and to a defined benefits pension scheme for eligible employees. Assets of all schemes are held separately from those of the company. The company pension charge for both the defined contribution scheme and the defined benefits pension scheme for the year was £488,000 (2004 - £432,000).

The defined benefits pension scheme is described in the financial statements of the ultimate parent undertaking. Contributions to this scheme by the company are accounted for as if the scheme was a defined contribution pension scheme since assets and liabilities of the scheme cannot be attributed to each participating employer on a consistent and reasonable basis. Consequently, any surplus or deficit in this scheme is not regarded as an asset or liability of the company but of the ultimate parent undertaking.

The company contribution rate for the year ended 31 July 2005 is 32.5% and for future years is 32.5% per annum of pensionable salaries which, under actuarial advice, should meet all pension obligations as determined by an independent qualified actuary, based on valuations, every three years, using the aggregate cost method. The most recent full actuarial valuation was at 31 July 2003.

At 31 July 2005 the company had outstanding pension contributions of £1,600 (2004 - £nil) relating to the defined contribution schemes and a prepayment of £64,451 (2004 - £nil) relating to the defined benefit scheme.

16. Financial commitments

The annual commitment under non cancellable operating leases was as follows:

	<i>2005 £000</i>	<i>2004 £000</i>
Land and buildings		
Leases expiring:		
Between two and five years	273	237
After five years	88	88
	<u>361</u>	<u>325</u>

Other commitments:

The company is committed to purchase on demand all minority shareholdings in Braemar Finance Limited at an agreed fair valuation after the signature of the financial statements of the company for the financial years ending on the dates listed below up to the relevant cumulative proportions set out below:

Notes to the financial statements

at 31 July 2005

31 July 2005

Percentage of holding
Up to 100%

17. Interest rate contracts

Interest rate swap agreements and interest rate caps are entered into for hedging purposes. The nominal value of the open contracts at 31 July 2005 was £263 million (2004 - £192 million).

18. Related party transactions

The company has taken advantage of the exemptions conferred by FRS 8 ('Related Party Transactions'), whereby details of transactions with group companies do not have to be disclosed in the subsidiary entity if the entity is more than 90% owned and if group financial statements are publicly available.

19. Parent undertaking

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Close Brothers Group plc, the ultimate parent undertaking, which is a listed company registered in England and Wales, and the parent undertaking of the smallest such group is Close Brothers Limited, registered in England and Wales. Copies of the financial statements of both Close Brothers Group plc and Close Brothers Limited may be obtained from 10 Crown Place, London EC2A 4FT.