

**KLEINWORT BENSON LEASING JUNE (2) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**30 JUNE 1997**



## **KLEINWORT BENSON LEASING JUNE (2) LIMITED DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 1997.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is leasing.

During the year the business developed satisfactorily and the directors expect the business to continue trading profitably for the foreseeable future.

### **RESULTS AND DIVIDENDS**

The results of the company for the year are set out in detail on page 4.

The directors do not recommend the payment of a dividend (1996: £Nil). The retained profit for the year of £238,813 (1996 : £(224,110)) will be transferred to reserves.

### **DIRECTORS AND DIRECTORS' INTERESTS**

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

N G Aiken  
M R Hardwick  
P G Myall  
P D Read (Resigned 15 October 1997)  
K J Whiting

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.

### **AUDITORS**

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  
Secretary

18 December 1997

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

We have audited the financial statements on pages 4 to 9, which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 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.

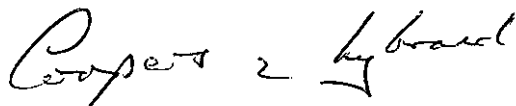
**Basis of opinion**

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 30 June 1997, 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

22 December 1997

**KLEINWORT BENSON LEASING JUNE (2) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
For the year ended 30 June 1997

|   | Note | 1997<br>£ | 1996<br>£   |
|---|------|-----------|-------------|
| <b>TURNOVER (Including exceptional item)</b>                    | 2    | 868,809   | 1,423,862   |
| Cost of sales   | 3    | (541,184) | (1,022,096) |
|   |      | <hr/>     | <hr/>       |
| <b>GROSS PROFIT</b>   |      | 327,625   | 401,766     |
| Other operating income  |      | -         | 17,459      |
| Other operating expenses  |      | (1,952)   | -           |
| Administrative expenses   | 4    | (12,445)  | (258,066)   |
|   |      | <hr/>     | <hr/>       |
| <b>OPERATING PROFIT</b>   |      | 313,228   | 161,159     |
| Interest payable and similar charges                            | 5    | -         | (5,471)     |
|   |      | <hr/>     | <hr/>       |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b>        |      | 313,228   | 155,688     |
| Taxation charge   | 6    | (74,415)  | (379,798)   |
|   |      | <hr/>     | <hr/>       |
| <b>PROFIT/ (LOSS) ON ORDINARY ACTIVITIES<br/>AFTER TAXATION</b> | 12   | 238,813   | (224,110)   |
|   |      | <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 12 on page 9.

The notes on pages 6 to 9 form an integral part of these financial statements.

**KLEINWORT BENSON LEASING JUNE (2) LIMITED**  
**BALANCE SHEET**  
**As at 30 June 1997**

|   | Note | 1997<br>£   | 1996<br>£    |
|---|------|-------------|--------------|
| <b>CURRENT ASSETS</b>                                   |      |             |              |
| Debtors: - amounts falling due after more than one year | 7    | 5,971,835   | 8,316,944    |
| - amounts falling due within one year                   | 8    | 1,464,838   | 3,996,709    |
|   |      | <hr/>       | <hr/>        |
|   |      | 7,436,673   | 12,313,653   |
| <b>CREDITORS:</b> amounts falling due within one year   | 9    | (7,031,866) | (11,714,451) |
|   |      | <hr/>       | <hr/>        |
| <b>NET CURRENT ASSETS</b>                               |      | 404,807     | 599,202      |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>           | 10   | (390,104)   | (823,312)    |
|   |      | <hr/>       | <hr/>        |
| <b>NET ASSETS / LIABILITIES</b>                         |      | 14,703      | (224,110)    |
|   |      | <hr/>       | <hr/>        |
| <b>CAPITAL AND RESERVES</b>                             |      |             |              |
| Called up share capital                                 | 11   | 10,000      | 10,000       |
| Profit and loss account                                 | 12   | 4,703       | (234,110)    |
|   |      | <hr/>       | <hr/>        |
| <b>EQUITY SHAREHOLDERS' FUNDS/(DEFICIENCY)</b>          |      | 14,703      | (224,110)    |
|   |      | <hr/>       | <hr/>        |

These financial statements were approved by the Board of Directors on 18 December 1997

Signed on behalf of the Board of Directors



P G Myall - Director

The notes on pages 6 to 9 form an integral part of these financial statements.

**KLEINWORT BENSON LEASING JUNE (2) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 1997**

**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 the 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.

**Related party transactions**

Kleinwort Benson Leasing June (2) Ltd is a wholly owned subsidiary of Kleinwort Benson Leasing Ltd. The ultimate parent undertaking is Dresdner Bank AG. The company has taken advantage of the exemption available in Financial Reporting Standard No.8 not to disclose inter-group related party transactions.

**2. TURNOVER**

|   | <b>1997</b> | <b>1996</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Finance charges allocated in the year                     | 905,284     | 1,423,862   |
| Exceptional item from tax rate change - Rental refundable | (36,475)    | -           |
|   | <hr/>       | <hr/>       |
|   | 868,809     | 1,423,862   |
|   | <hr/>       | <hr/>       |

Aggregate rentals receivable in respect of finance leases were  
£5,520,713 (1996: £8,976,873)

**KLEINWORT BENSON LEASING JUNE (2) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 1997**

| <b>3. COST OF SALES</b>                           | <b>1997</b>    | <b>1996</b>      |
|---|----------------|------------------|
|   | <b>£</b>       | <b>£</b>         |
| Interest payable to fellow subsidiary undertaking | <u>541,184</u> | <u>1,022,096</u> |

**4. ADMINISTRATIVE EXPENSES**

Costs of administration 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.

| <b>5. INTEREST PAYABLE AND SIMILAR CHARGES</b> | <b>1997</b> | <b>1996</b>  |
|--|-------------|--------------|
|  | <b>£</b>    | <b>£</b>     |
| Interest payable                               | <u>-</u>    | <u>5,471</u> |

| <b>6. TAXATION CHARGE</b> | <b>1997</b> | <b>1996</b> |
|---------------------------|-------------|-------------|
|                           | <b>£</b>    | <b>£</b>    |

Tax is based on the profit for the year and comprises:

|  |               |                |
|--|---------------|----------------|
| Group relief payable at 32.5% (1996: 33%)                      | 507,623       | 844,551        |
| Deferred taxation - current charge                             | (408,041)     | (793,176)      |
| Adjustment in respect of prior years:                          |               |                |
| - Deferred taxation  | -             | 328,423        |
| Exceptional item - Deferred taxation effect of tax rate change | (25,167)      | -              |
|  | <u>74,415</u> | <u>379,798</u> |



**KLEINWORT BENSON LEASING JUNE (2) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 1997

|  |                  |                  |
|--|------------------|------------------|
| <b>7. DEBTORS : amounts falling due after more than one year</b>   | <b>1997</b><br>£ | <b>1996</b><br>£ |
| Net investment in finance leases   | 6,001,417        | 8,316,944        |
| Rental refundable  | (29,582)         | -                |
|  | <hr/>            | <hr/>            |
|  | 5,971,835        | 8,316,944        |
|  | <hr/>            | <hr/>            |
| <b>8. DEBTORS: amounts falling due within one year</b>   | <b>1997</b><br>£ | <b>1996</b><br>£ |
| Net investment in finance leases   | 1,407,183        | 3,047,429        |
| Rental refundable  | (6,893)          | -                |
|  | <hr/>            | <hr/>            |
|  | 1,400,290        | 3,047,429        |
| Amounts due from immediate parent undertaking  | -                | 949,280          |
| Other debtors  | 64,548           | -                |
|  | <hr/>            | <hr/>            |
|  | 1,464,838        | 3,996,709        |
|  | <hr/>            | <hr/>            |
| The cost of assets acquired in the year for the purpose of leasing under finance leases was £413,330 (1996: £Nil). |                  |                  |
| <b>9 CREDITORS: amounts falling due within one year</b>  | <b>1997</b><br>£ | <b>1996</b><br>£ |
| Amounts due to immediate parent undertaking  | 900,446          | -                |
| Amounts due to fellow subsidiary undertaking   | 4,742,519        | 9,511,002        |
| Group relief payable   | 1,388,901        | 1,876,417        |
| Other creditors and accruals   | -                | 327,032          |
|  | <hr/>            | <hr/>            |
|  | 7,031,866        | 11,714,451       |
|  | <hr/>            | <hr/>            |
| <b>10 PROVISIONS FOR LIABILITIES AND CHARGES</b>   | <b>1997</b><br>£ | <b>1996</b><br>£ |
| <b>Deferred taxation:</b>  |                  |                  |
| At 1 July  | 823,312          | 1,288,065        |
| Transfer from profit and loss account  | (408,041)        | (464,753)        |
| Adjustment for tax rate change   | (25,167)         | -                |
|  | <hr/>            | <hr/>            |
| At 30 June   | 390,104          | 823,312          |
|  | <hr/>            | <hr/>            |

The above balance represents a full provision for timing differences relating to accelerated capital allowances in respect of leasing transactions.

**KLEINWORT BENSON LEASING JUNE (2) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 1997**

**11. CALLED UP SHARE CAPITAL**

|  | 1997<br>£ | 1996<br>£ |
|--|-----------|-----------|
| Authorised:<br>10,000 ordinary shares of £1              | 10,000    | 10,000    |
| Allotted and fully paid:<br>10,000 ordinary shares of £1 | 10,000    | 10,000    |

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

|   | Issued<br>share<br>capital<br>£ | Profit<br>and loss<br>account<br>£ | Shareholders'<br>funds<br>Total<br>1997<br>£ | Shareholders'<br>funds<br>Total<br>1996<br>£ |
|---|---------------------------------|------------------------------------|--|--|
| At the beginning of the year                              | 10,000                          | (234,110)                          | (224,110)                                    | -  |
| Profit / (Loss) attributable to<br>members of the company | -                               | 238,813                            | 238,813                                      | (224,110)                                    |
| At the end of the year                                    | 10,000                          | 4,703                              | 14,703                                       | (224,110)                                    |

**13. 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 31 December 1996, are filed at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.