

Company Registered No. 2069507

KLEINWORT BENSON LEASING JUNE (2) LIMITED
REPORT AND FINANCIAL STATEMENTS
30 JUNE 1998



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 1998.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is leasing.

The directors consider that the results for the year were satisfactory.

On 29 May 1998 the business of the company was sold to Kleinwort Benson Leasing June (1) Limited at net book value.

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 (1997 : £Nil). The retained profit for the year of £2,732 (1997 : £238,813) will be transferred to reserves.

SHARE CAPITAL – ORDINARY SHARES

The company issued 150,000 ordinary shares of £1 on 21 May 1998 at an issue price of £150,000.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office at the year end were as follows:

N G Aiken	
N Barker	(appointed 12 February 1998)
C P T O'Haire	(appointed 12 February 1998)
K J Whiting	

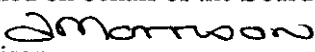
P D Read resigned on 15 October 1997. M R Hardwick and P G Myall resigned on 12 February 1998.

None of the directors had any disclosable interests in the shares or debentures of any other 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. Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998. The directors have appointed the new firm, PricewaterhouseCoopers, as auditors to the company.

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


A Morrison
Secretary

27th December 1998

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; and
- 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.

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 1998, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

Embankment Place
London

14 December 1998

KLEINWORT BENSON LEASING JUNE (2) LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 30 June 1998

	Note	1998 £	1997 £
TURNOVER	2	458,287	868,809
Cost of sales	3	(448,741)	(541,184)
		<hr/>	<hr/>
GROSS PROFIT	4	9,546	327,625
Fees payable		(5,631)	(14,397)
		<hr/>	<hr/>
OPERATING PROFIT		3,915	313,228
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,915	313,228
Taxation charge	5	(1,183)	(74,415)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	2,732	238,813
		<hr/>	<hr/>

All amounts stated above derive from discontinued activities as the business of the company was sold to Kleinwort Benson Leasing June (1) Limited on 29 May 1998.

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 11 on page 9.

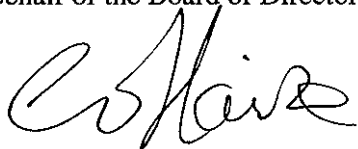
The notes on pages 6 to 9 form an integral part of these financial statements.

KLEINWORT BENSON LEASING JUNE (2) LIMITED
BALANCE SHEET
As at 30 June 1998

	Note	1998 £	1997 £
CURRENT ASSETS			
Debtors: - amounts falling due after more than one year	6	-	5,971,835
Debtors: - amounts falling due within one year	7	167,435	1,464,838
		<hr/>	<hr/>
		167,435	7,436,673
CREDITORS: amounts falling due within one year	8	-	(7,031,866)
		<hr/>	<hr/>
NET CURRENT ASSETS		167,435	404,807
PROVISIONS FOR LIABILITIES AND CHARGES	9	-	(390,104)
		<hr/>	<hr/>
NET ASSETS		167,435	14,703
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	10	160,000	10,000
Profit and loss account	11	7,435	4,703
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		167,435	14,703
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 9 March 1998

Signed on behalf of the Board of Directors



C P T O' Haire - 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 1998

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 gross earnings 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 gross earnings allocated to future periods.

Gross earnings from finance leases 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.

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.

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.

2. TURNOVER

	1998	1997
	£	£
Gross earnings allocated in the year	458,287	905,284
Exceptional item from tax rate change - rental refundable	-	(36,475)
	<hr/>	<hr/>
	458,287	868,809
	<hr/>	<hr/>

Aggregate rentals receivable in the year in respect of finance leases were £2,530,546 (1997: £5,520,713)

KLEINWORT BENSON LEASING JUNE (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 1998

3. COST OF SALES	1998	1997
	£	£
Interest payable to fellow subsidiary undertaking	448,741	541,184
	<hr/>	<hr/>
4. ADMINISTRATIVE EXPENSES		
Costs of administration are borne by an intermediate undertaking. These include the remuneration of the auditors. None of the directors received any emoluments in respect of their services to the company.		
5. TAXATION CHARGE	1998	1997
	£	£
The taxation charge is based on the profit for the year and comprises:		
Group relief payable at 31% (1997: 32.5%)	55,341	507,623
Deferred taxation	(54,158)	(408,041)
Exceptional item - deferred taxation effect of tax rate change	-	(25,167)
	<hr/>	<hr/>
	1,183	74,415
	<hr/>	<hr/>
6. DEBTORS : amounts falling due after more than one year	1998	1997
	£	£
Net investment in finance leases	-	6,001,417
Adjustment in respect of rental refundable	-	(29,582)
	<hr/>	<hr/>
	-	5,971,835
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KLEINWORT BENSON LEASING JUNE (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 1998

7. DEBTORS: amounts falling due within one year	1998	1997
	£	£
Net investment in finance leases	-	1,407,183
Adjustment in respect of rental refundable	-	(6,893)
	<hr/>	<hr/>
	-	1,400,290
Amounts due from immediate parent undertaking	167,435	-
Sundry debtors	-	64,548
	<hr/>	<hr/>
	167,435	1,464,838
	<hr/>	<hr/>
The cost of assets acquired in the year for the purpose of leasing under finance leases was £Nil (1997: £413,330).		
8. CREDITORS: amounts falling due within one year	1998	1997
	£	£
Amounts due to immediate parent undertaking	-	900,446
Amounts due to fellow subsidiary undertaking	-	4,742,519
Group relief payable	-	1,388,901
	<hr/>	<hr/>
	-	7,031,866
	<hr/>	<hr/>
9. PROVISIONS FOR LIABILITIES AND CHARGES	1998	1997
	£	£
Deferred taxation:		
At 1 July	390,104	823,312
Transfer to profit and loss account	(54,158)	(408,041)
Transferred to Kleinwort Benson Leasing June (1) Limited	(335,946)	(25,167)
	<hr/>	<hr/>
At 30 June	-	390,104
	<hr/>	<hr/>
10. CALLED UP SHARE CAPITAL	1998	1997
	£	£
Authorised:		
160,000 ordinary shares of £1 each	160,000	10,000
	<hr/>	<hr/>
Allotted and fully paid:		
160,000 ordinary shares of £1 each	160,000	10,000
	<hr/>	<hr/>
Details of shares allotted during the year are given in the Directors' Report.		

KLEINWORT BENSON LEASING JUNE (2) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 1998

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

	Issued share capital £	Profit and loss account £	Shareholders' funds Total 1998 £	Shareholders' funds Total 1997 £
At beginning of the year	10,000	4,703	14,703	(224,110)
Profit attributable to members of the company	-	2,732	2,732	238,813
Issue of share capital	150,000	-	150,000	-
At the end of the year	160,000	7,435	167,435	14,703

12. 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 1997, are filed at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.