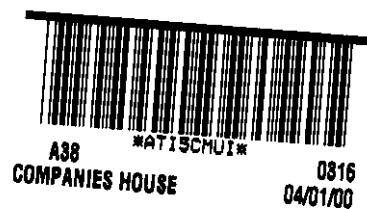


KLEINWORT BENSON LEASING JUNE (1) LIMITED
REPORT AND FINANCIAL STATEMENTS
30 JUNE 1999



KLEINWORT BENSON LEASING JUNE (1) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 1999.

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.

A dividend of £882,000 was paid during the year (1998: £Nil). The retained loss for the year of £378,932 (1998 profit: £957,581) will be deducted from reserves.

DIRECTORS AND DIRECTORS' INTEREST

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

N G Aiken
N D Barker
C P T O'Haire
K J Whiting

None of the directors had a disclosable interest 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.

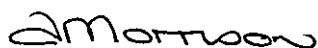
AUDITORS

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, PricewaterhouseCoopers will remain in office.

YEAR 2000

A group wide programme to address the impact of the Year 2000 is being conducted by Dresdner Kleinwort Benson, of which this company is part. An analysis of significant risks has been performed to determine the impact of the issue on activities. Dresdner Kleinwort Benson has established a programme to address the system related issues arising from Year 2000 and to implement changes where required. Processes will be considered and modified as applicable in advance of key dates so as not to disrupt the underlying business activity. Costs of administration are borne by an intermediate parent undertaking, thus any costs associated with these changes do not form part of these financial statements, and will be separately identified in the financial statements of Kleinwort Benson Limited.

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



A Morrison
Secretary

16th December 1999

KLEINWORT BENSON LEASING JUNE (1) 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 (1) LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the financial statements as described on page 2. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 is not disclosed.

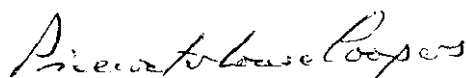
Basis of opinion

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 1999, and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

22nd December 1999

KLEINWORT BENSON LEASING JUNE (1) LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 30 June 1999**

	Note	1999 £	1998 £
TURNOVER (including exceptional item)	2	5,161,116	3,703,366
Cost of sales	3	(4,706,142)	(3,783,877)
		<hr/>	<hr/>
GROSS PROFIT / (LOSS)	4	454,974	(80,511)
Other operating income		136,842	-
Other operating expenses		(9,389)	(10,275)
Commission payable		(20,238)	(20,932)
		<hr/>	<hr/>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		562,189	(111,718)
Taxation (charge) / credit	5	(59,121)	1,069,299
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		503,068	957,581
DIVIDENDS PAID		(882,000)	-
		<hr/>	<hr/>
RETAINED (LOSS) / PROFIT FOR THE YEAR	11	(378,932)	957,581
		<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 11 on page 9.

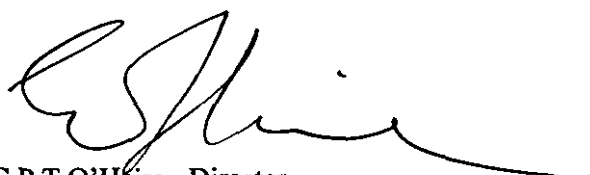
The notes on pages 6 to 9 form an integral part of these financial statements.

KLEINWORT BENSON LEASING JUNE (1) LIMITED**BALANCE SHEET****As at 30 June 1999**

	Note	1999 £	1998 £
CURRENT ASSETS			
Debtors - amounts falling due after more than one year	6	51,033,130	66,446,269
Debtors - amounts falling due within one year	7	9,193,427	11,686,322
		<hr/>	<hr/>
		60,226,557	78,132,591
CREDITORS: amounts falling due within one year	8	(51,332,288)	(67,843,574)
		<hr/>	<hr/>
NET CURRENT ASSETS		8,894,269	10,289,017
PROVISIONS FOR LIABILITIES AND CHARGES	9	(8,003,772)	(9,019,588)
		<hr/>	<hr/>
NET ASSETS		890,497	1,269,429
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Profit and loss account	11	880,497	1,259,429
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		890,497	1,269,429
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 16th December 1999.

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 (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

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 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 (1) Limited is a wholly owned subsidiary of Kleinwort Benson Leasing Limited. 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

	1999 £	1998 £
Gross earnings allocated in the year	4,882,543	4,198,062
Exceptional item from tax rate change - Rental refundable	278,573	(494,696)
	<u>5,161,116</u>	<u>3,703,366</u>

Aggregate rentals receivable in respect of finance leases, were £22,909,073 (1998: £8,609,029). The exceptional item is the additional credit resulting from the finalisation of the 1997 rental refundable from the tax rate change to 31% and the 1999 rental refundable from the tax rate change to 30%.

KLEINWORT BENSON LEASING JUNE (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

3. COST OF SALES	1999 £	1998 £
Interest payable to fellow subsidiary undertakings	4,706,142	3,783,877

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) / CREDIT	1999 £	1998 £
The taxation charge is based on the result for the year and comprises:		
Group relief payable at 30.75% (1998: 31%)	(1,074,937)	819,401
Deferred taxation credit / (charge)	1,015,816	(70,655)
Exceptional item – Deferred taxation effect of tax rate change	-	320,553
	(59,121)	1,069,299

The deferred tax credit for the year includes a credit which arises due to differences between the recognition of gross income and expenditure for accounting and tax purposes on certain leases. Where differences are permanent no tax charge arises leading to an overall tax credit.

Full provision has been made for deferred tax on timing differences in accordance with SSAP 15.

6. DEBTORS: amounts falling due after more than one year	1999 £	1998 £
Net investment in finance leases	51,135,464	67,202,661
Adjustment in respect of rental refundable	(102,334)	(756,392)
	51,033,130	66,446,269

KLEINWORT BENSON LEASING JUNE (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

7. DEBTORS: amounts falling due within one year	1999	1998
	£	£
Net investment in finance leases	8,219,695	9,931,363
Adjustment in respect of rental refundable	(441,247)	(412,453)
	<hr/>	<hr/>
Amounts due from immediate parent undertaking	7,778,448	9,518,910
Prepayment	-	2,105,761
Other debtors	43,781	61,651
	1,371,198	-
	<hr/>	<hr/>
	9,193,427	11,686,322
	<hr/>	<hr/>
8. CREDITORS: amounts falling due within one year	1999	1998
	£	£
Amounts due to immediate parent undertaking	3,160,623	-
Amounts due to fellow subsidiary undertaking	47,372,226	64,352,454
Group relief payable	688,444	1,566,255
Other creditors and accruals	110,995	1,924,865
	<hr/>	<hr/>
	51,332,288	67,843,574
	<hr/>	<hr/>
9. PROVISIONS FOR LIABILITIES AND CHARGES	1999	1998
	£	£
Deferred taxation:		
At 1 July	9,019,588	4,714,301
Transfer from Kleinwort Benson Leasing June (2) Limited	-	335,947
Transfer from Kleinwort Benson Leasing June (3) Limited	-	4,219,238
Transfer to profit and loss account	(1,015,816)	70,655
Adjustment for tax rate change	-	(320,553)
	<hr/>	<hr/>
At 30 June	8,003,772	9,019,588
	<hr/>	<hr/>

The above balance represents a full provision for deferred taxation at 30% (1998 30%) on timing differences relating to accelerated capital allowances in respect of leasing transactions.

KLEINWORT BENSON LEASING JUNE (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 1999

10. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised: 10,000 ordinary shares of £1	10,000	10,000
Alotted and fully paid: 10,000 ordinary shares of £1	10,000	10,000

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 1999 £	Shareholders' funds Total 1998 £
At beginning of the year	10,000	1,259,429	1,269,429	311,848
Profit on ordinary activities after taxation	-	503,068	503,068	957,581
Dividends paid		(882,000)	(882,000)	-
At the end of the year	10,000	880,497	890,497	1,269,429

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 1998, are filed at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.