

KLEINWORT BENSON LEASING JUNE (I) LIMITED
REPORT AND FINANCIAL STATEMENTS
30 JUNE 2000



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2000.

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 £750,000 was paid during the year (1999: £882,000). The retained loss for the year of £383,829 (1999 loss: £378,932) 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.

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



A Morrison
Secretary

20 December 2000

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.

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; this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. 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 United Kingdom 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 2000, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

22 December 2000

KLEINWORT BENSON LEASING JUNE (1) LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 30 June 2000

	Note	2000 £	1999 £
TURNOVER (including exceptional item)	2	3,737,773	5,161,116
Cost of sales	3	(3,426,385)	(4,706,142)
GROSS PROFIT	4	311,388	454,974
Other operating income		3,082	136,842
Other operating expenses		(8,756)	(9,389)
Commission payable		(7,220)	(20,238)
OPERATING PROFIT		298,494	562,189
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		298,494	562,189
Taxation credit/(charge)	5	67,677	(59,121)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		366,171	503,068
DIVIDENDS PAID		(750,000)	(882,000)
RETAINED (LOSS) FOR THE YEAR	11	(383,829)	(378,932)

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.

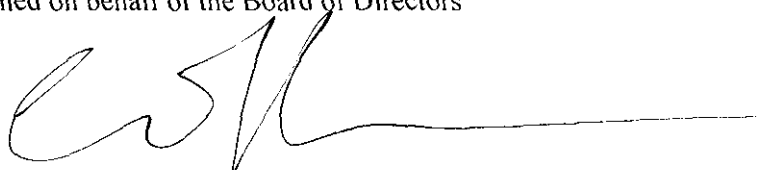
KLEINWORT BENSON LEASING JUNE (1) LIMITED**BALANCE SHEET**

As at 30 June 2000

	Note	2000 £	1999 £
CURRENT ASSETS			
Debtors - amounts falling due after more than one year	6	35,927,839	51,033,130
Debtors - amounts falling due within one year	7	12,335,531	9,193,427
		<hr/>	<hr/>
		48,263,370	60,226,557
CREDITORS: amounts falling due within one year	8	(41,170,159)	(51,332,288)
		<hr/>	<hr/>
NET CURRENT ASSETS		7,093,211	8,894,269
PROVISIONS FOR LIABILITIES AND CHARGES	9	(6,586,543)	(8,003,772)
		<hr/>	<hr/>
NET ASSETS		506,668	890,497
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Profit and loss account	11	496,668	880,497
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		506,668	890,497
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on ~~20~~ December 2000.

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.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 30 June 2000****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

	2000 £	1999 £
Gross earnings allocated in the year	3,737,773	4,882,543
Exceptional item from tax rate change - Rental refundable	-	278,573
	<u>3,737,773</u>	<u>5,161,116</u>

Aggregate rentals receivable in respect of finance leases, were £13,850,303 (1999: £22,909,073). 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%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2000

3. COST OF SALES	2000 £	1999 £
Interest payable to fellow subsidiary undertakings	3,426,385	4,706,142

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 CREDIT/(CHARGE)	2000 £	1999 £
The taxation charge is based on the result for the year and comprises:		
Group relief payable at 30% (1999: 30.75%)	(1,349,552)	(1,074,937)
Deferred taxation credit	1,417,229	1,015,816
	67,677	(59,121)

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	2000 £	1999 £
Net investment in finance leases	35,823,862	51,135,464
Adjustment in respect of rental refundable	103,977	(102,334)
	35,927,839	51,033,130
7. DEBTORS: amounts falling due within one year	2000 £	1999 £
Net investment in finance leases	11,731,025	8,219,695
Adjustment in respect of rental refundable	(206,311)	(441,247)
	11,524,714	7,778,448
Prepayment	35,025	43,781
Other debtors	775,792	1,371,198
	12,335,531	9,193,427

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2000

8. CREDITORS: amounts falling due within one year	2000 £	1999 £
Amounts due to immediate parent undertaking	2,529,659	3,160,623
Amounts due to fellow subsidiary undertaking	36,752,268	47,372,226
Group relief payable	1,752,586	688,444
Other creditors and accruals	135,646	110,995
	<u>41,170,159</u>	<u>51,332,288</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES	2000 £	1999 £
Deferred taxation:		
At 1 July	8,003,772	9,019,588
Transfer to profit and loss account	(1,417,229)	(1,015,816)
	<u>6,586,543</u>	<u>8,003,772</u>
At 30 June		

The above balance represents a full provision for deferred taxation at 30% (1999: 30%) on timing differences relating to accelerated capital allowances in respect of leasing transactions.

10. CALLED UP SHARE CAPITAL	2000 £	1999 £
Authorised:		
10,000 ordinary shares of £1	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid:		
10,000 ordinary shares of £1	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2000

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 2000	Shareholders' funds total 1999
	£	£	£	£
At beginning of the year	10,000	880,497	890,497	1,269,429
Profit on ordinary activities after taxation	-	366,171	366,171	503,068
Dividends paid	-	(750,000)	(750,000)	(882,000)
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At the end of the year	10,000	496,668	506,668	890,497
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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 Limited, 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 1999, are filed at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.