

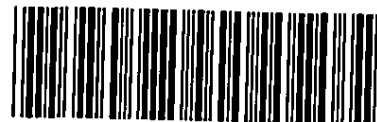
**De Lage Landen No.3 Limited**

**Directors' report and financial  
statements**

Registered number 2334533

Period ended 31 December 2006

WEDNESDAY



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## **Directors' report and financial statements**

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## Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 December 2006

### Principal activities

The principal activity of the company is the lease financing of various types of equipment

### Business review

The company changes its name to De Lage Landen No 3 Ltd on 14 July 2006 from Summit Lease Finance Ltd

### Results and dividends

The result for the period is shown in the attached profit and loss account. The directors do not recommend the payment of a dividend (*31 March 2006 £nil*)

### Directors and directors' interests

The directors who served during the year were

N Pearce	(appointed 13 April 2006)
R Morris-Jones	(appointed 13 April 2006)
P Shah	(appointed 13 April 2006)
SJK Barratt	(resigned 13 April 2006)
NA Roberts	(resigned 13 April 2006)

### Statement of directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' Report set out on Pages 3 & 4, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the period

The Directors confirm that in preparing the financial statements on pages 5 to 11

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and
- that all the accounting standards which they consider to be applicable have been followed, and
- that the financial statements have been prepared on a going concern basis

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

## **Directors' report** *(continued)*

### **Auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

A resolution to reappoint KPMG Audit Plc as auditors will be put to the members at the Annual General Meeting

By order of the board



**N Pearce**  
*Director*

Suite 2A  
Rushmoor Court  
Croxley Business Park  
Hatters Lane  
Watford  
Hertfordshire WD18 8EZ

**8 OCTOBER** 2007



## **KPMG Audit Plc**

8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

### **Independent auditors' report to the members of De Lage Landen No.3 Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies

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 that we are required to state to them in an auditor's 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**

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and United Kingdom generally accepted accounting practice are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 group 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**Independent auditors' report to the members of De Lage Landen No.3 Limited**  
*(continued)*

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom generally accepted accounting practice, of the state of affairs of the company at 31 December 2006 and of the profit for the period then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants and Registered Auditors  
London, United Kingdom

*8<sup>th</sup> October 2007*

**Profit and loss account**  
*for the period ended 31 December 2006*

	<i>Note</i>	<b>Period ended 31 December 2006 £</b>	<b>Year ended 31 March 2006 £</b>
<b>Gross earnings under finance agreement</b>	2	<b>51,635</b>	<b>266,717</b>
Administrative expenses	3-4	(197)	(6,277)
<b>Operating profit</b>		<b>51,438</b>	<b>260,440</b>
Interest receivable	5	-	-
Interest payable	6	(102,475)	(246,476)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(51,037)</b>	<b>13,964</b>
Taxation	7	3,988,706	-
<b>Profit for the financial year</b>		<b>3,937,669</b>	<b>13,964</b>
Loss brought forward		(2,362,788)	(2,376,752)
<b>Profit/(loss) carried forward</b>		<b>1,574,881</b>	<b>(2,362,788)</b>

All the above items relate to continuing activities

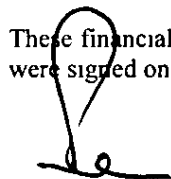
There are no gains or losses other than those recognised in the profit and loss account above

A reconciliation of the movement on shareholders' deficit is shown in note 11

**Balance sheet**  
*at 31 December 2006*

	<i>Note</i>	<b>31 December 2006 £</b>	<b>31 March 2006 £</b>
<b>Current assets</b>			
Investment in finance agreements		-	-
Debtors	8	3,988,706	2,108,543
Cash at bank and in hand		8,294	4,428
		<hr/>	<hr/>
		3,997,000	2,112,971
<b>Creditors, amounts falling due within one year</b>	9	(1,704,092)	(3,757,732)
		<hr/>	<hr/>
<b>Net liabilities</b>		2,292,908	(1,644,761)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital	10	10,001	10,001
Share premium		708,026	708,026
Profit and loss account		1,574,881	(2,362,788)
		<hr/>	<hr/>
<b>Equity shareholders' fund/(deficit)</b>		2,292,908	(1,644,761)
		<hr/>	<hr/>

These financial statements on pages 7 to 11 were approved by the board of directors on **8 October** 2007 and were signed on its behalf by



**N Pearce**  
*Director*



## Notes to the financial statements

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

#### *Financing arrangements*

The financial statements have been prepared on a going concern basis as an intermediate holding company. The Summit Group Ltd, has given an undertaking that it will continue to provide financial and other support to the company, at least for the next twelve months, to enable the company to continue to trade

#### *Investments in finance agreements*

The company acts as a lessor of various types of commercial equipment. Where substantially all the risks and rewards of ownership pass to the lessee, these leases are accounted for as finance leases in accordance with SSAP 21

#### *Recognition of profit on finance agreements*

Finance lease income is recognised on an appropriate basis so as to give a constant periodic rate of return on the net cash investment in the lease

#### *Investments in finance agreements*

Investments in finance agreements are stated in the balance sheet at the total of the gross minimum lease payments receivable under such agreements, less finance income allocated to future periods

#### *Residual interests*

In the majority of cases under lease arrangements the company retains an interest in the residual value of the leased equipment. No recognition is made in the financial statements of any profit attributable to the estimated future disposal proceeds of equipment which will be returned to the company at the termination of the lease or from rentals resulting from anticipated secondary leases

#### *Deferred tax*

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

#### *Related party transactions*

The company has taken advantage of the exemption in FRS 8, other than those disclosed in note 13, has not disclosed related party transactions with companies forming a part of the group

### 2 Gross earnings under finance agreements

This represents income arising from finance agreements as set out in note 1

## Notes to the financial statements *(continued)*

### 3 (Loss)/profit on ordinary activities before taxation

Auditors' remuneration is borne by De Lage Landen Leasing Limited, a group undertaking

### 4 Remuneration of directors and staff numbers

Neither director received any emoluments in respect of services to the company during the period (31 March 2006 *£nil*) The company has no employees other than directors (31 March 2006 *none*)

### 5 Interest receivable

	Period ended 31 December 2006 £	Year ended 31 March 2006 £
Bank interest receivable	-	-

### 6 Interest receivable

	Period ended 31 December 2006 £	Year ended 31 March 2006 £
Bank interest	21,870	246,476
Group companies	80,605	-
	<u>102,475</u>	<u>246,476</u>

### 7 Taxation

The company's taxable profits in the two years are covered by losses brought forward from prior periods

The UK corporation tax rate of 30% is the standard rate for the company The factors affecting the current tax charge of the company are as follows

	Period ended 31 December 2006 £	Year ended 31 March 2006 £
Expected tax charge	357,845	4,189
Income not taxable for tax purposes	-	-
Other additions to profit	-	-
Depreciation in excess of capital allowance	3,630,861	80,531
Group relief	-	-
Utilisation of tax losses brought forward	-	(84,720)
	<u>3,988,706</u>	<u>-</u>
Current tax charge recorded in the accounts		

## Notes to the financial statements *(continued)*

### 7 Taxation *(continued)*

#### *Factors affecting the tax charge for the current period*

The current tax (credit)/charge for the period is lower *(2006 lower)* than the standard rate of corporation tax in the UK (30%, 2006 30%) The differences are explained below

	Period ended 31 December 2006 £	Year ended 31 March 2006 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(51,037)	13,964
	<hr/>	<hr/>
Current tax at 30% (2006 30%)	(15,311)	4,189
<i>Effects of</i>		
Capital allowances for period in excess of depreciation	(342,534)	80,531
Utilisation of tax losses	-	(84,720)
	<hr/>	<hr/>
Total current tax (credit)/charge (see above)	(357,845)	-
	<hr/>	<hr/>

## Notes to the financial statements *(continued)*

### 8 Debtors

	31 December 2006 £	31 March 2006 £
Investment in lessor	-	1,658,815
Trade debtors	-	344,275
Amounts owed by group companies	357,845	105,400
Other debtors	-	53
Deferred tax	3,630,861	-
	<u>3,988,706</u>	<u>2,108,543</u>

### 9 Creditors: amounts falling due within one year

	31 December 2006 £	31 March 2006 £
Bank loans	6,862	1,920,302
Amounts owed to group companies	1,658,472	1,709,930
Other creditors	35,758	124,500
Accruals and deferred income	3,000	3,000
	<u>1,704,092</u>	<u>3,757,732</u>

### 10 Called up share capital

	31 December 2006 £	31 March 2006 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>11,000</u>	<u>11,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>10,001</u>	<u>10,001</u>

### 11 Reconciliation of movement in shareholders' fund/(deficit)

	31 December 2006 £	31 March 2006 £
Opening shareholders' deficit	(1,644,761)	(2,366,752)
Profit for the financial year	3,937,669	13,964
Share capital issued	-	708,027
	<u>2,292,908</u>	<u>(1,644,761)</u>

## **Notes to the financial statements** *(continued)*

### **12 Cash flow statement**

The Company's ultimate parent company prepares consolidated financial statements that are publicly available. Accordingly, the Company has taken advantage of an exemption in Financial Reporting Standard 1 - 'Cash Flow Statements', and has dispensed with the requirement to prepare a cash flow statement.

### **13 Ultimate controlling party**

The ultimate controlling party is De Lage Landen Limited.

The smallest group in which the results of the company are consolidated is that headed by De Lage Landen International BV which is incorporated in the Netherlands. The group financial statements of De Lage Landen International BV may be obtained from Vestdijk 51, PO Box 652, 5600 AR, Eindhoven, The Netherlands.

The largest group in which the results of the company are consolidated is that headed by Coöperatieve Centrale Raiffeisen Boerenleenbank BA trading as Rabobank Nederland and incorporated in the Netherlands. The group financial statements of Rabobank Group, which is also the ultimate parent company, may be obtained from Croeselaan 18, Postbus 17100, 3500 HG Utrecht, The Netherlands.