

ABBEY NATIONAL JUNE LEASING (1) LIMITED

REPORT AND ACCOUNTS
For the year ended 30 June 1995

REGISTERED IN ENGLAND AND WALES NO. 2426011



ABBEY NATIONAL JUNE LEASING (1) LIMITED

DIRECTORS' REPORT

The directors of Abbey National June Leasing (1) Limited present their report and accounts for the year ended 30 June 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the leasing of commercial vehicles, plant and equipment, and is likely to remain so for the foreseeable future.

RESULTS

The profit for the year on ordinary activities after taxation amounted to £1,170,937 (1994: £1,216,580) and has been transferred to reserves.

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

Directors who held office during the year were:

D.G. Jones Chairman
J.C. Nicholls
S.M. Julian
R. Garratt
A. Merrick

Following the adoption of new Articles of Association of the company on 25 May 1995, it is no longer a requirement for directors to apply for re-election.

The beneficial interests of the directors holding office at 30 June 1995, and their immediate families in the ordinary shares of 10p each in Abbey National plc are shown below:

	Shares at 1 July 1994	At 30 June 1995	Options at 1 July 1994	Granted	At 30 June 1995
D.G. Jones	2,632	2,632	169,873	39,500	209,373
J.C. Nicholls	2,932	2,932	43,640	27,000	70,640
S.M. Julian	2,966	2,966	59,633	12,500	72,133
R. Garratt	3,340	3,340	8,034	20,500	28,534
A. Merrick	877	877	7,845	-	7,845

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REPORT OF THE AUDITORS TO THE MEMBERS OF
ABBAY NATIONAL JUNE LEASING (1) LIMITED

We have audited the accounts on pages 4 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

15 March 1996

ABBEE NATIONAL JUNE LEASING (1) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 June 1995

	Notes	1995 £	1994 £
Turnover	3	<u>10,789,827</u>	<u>13,307,823</u>
Gross profit		10,789,827	13,307,823
Administrative expenses		(92,305)	(79,148)
Interest receivable	4	778	11,223
Interest payable	5	<u>(8,942,055)</u>	<u>(11,408,425)</u>
Profit on ordinary activities before taxation	6	1,756,245	1,831,473
Taxation	7	<u>(585,308)</u>	<u>(614,893)</u>
Retained profit for the year	12	<u>1,170,937</u>	<u>1,216,580</u>

All activities of the company are regarded as continuing. The company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented.

The company's results as reported are on an historical cost basis. Accordingly, no separate statement of historical cost profits and losses has been presented.

ABBAY NATIONAL JUNE LEASING (1) LIMITED

BALANCE SHEET
At 30 June 1995

	Notes	1995 £	1994 £
CURRENT ASSETS			
Debtors			
- amounts falling due after one year		110,966,308	180,739,645
net investment in finance leases		35,128,082	26,095,802
- amounts falling due within one year	8		
		<hr/>	<hr/>
		146,094,390	206,835,447
CREDITORS			
- amounts falling due within one year	9	(124,370,826)	(179,387,015)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,723,564	27,448,432
PROVISION FOR LIABILITIES AND CHARGES	10	(17,551,434)	(24,447,239)
		<hr/>	<hr/>
		<u>4,172,130</u>	<u>3,001,193</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	4,172,128	3,001,191
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	13	<u>4,172,130</u>	<u>3,001,193</u>

The accounts on pages 4 to 11 were approved by the Board of Directors on 11th March 1996 and were signed on its behalf by:

..... Director

ABBEY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1995

1. ACCOUNTING POLICIES

Basis of accounting

The company prepares its accounts under the historical cost convention and in accordance with applicable accounting standards.

Net investment in finance leases

Net investment in finance leases is included in debtors and represents total minimum lease payments less gross earnings allocated to future periods.

Deferred taxation

Deferred taxation is recognised only where it is probable that an asset or liability will arise. Recognition is made at rates expected to be applicable when the asset or liability crystallises.

Income from finance leases

Income from finance leases, including benefits from declining tax rates, is credited to the profit and loss account using the actuarial after tax method to give a constant periodic return on the net cash investment.

2. CASH FLOW STATEMENT

The company is a wholly owned subsidiary of Abbey National plc, a company registered in England and Wales.

Accordingly, the company is not required to produce a cash flow statement as prescribed in paragraph 8(c) of Financial Reporting Standard 1, Cash Flow Statements.

3. TURNOVER

Turnover comprises income from finance leases less fees payable. Turnover is stated net of VAT and other sales taxes.

	1995 £	1994 £
Income from finance leases	10,688,782	13,302,272
(Loss)/profit on disposal of leased assets	(3,145)	13,962
Fees receivable	116,646	200,602
Fees payable	(116,646)	(209,013)
Other rentals receivable	104,190	-
	<u>10,789,827</u>	<u>13,307,823</u>

Fees payable to Abbey National Treasury Services plc for the year amounted to £116,646 (1994: £200,602).

ABBEY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1995 - (continued)

4. INTEREST RECEIVABLE

	1995 £	1994 £
In respect of amounts due from fellow subsidiary undertaking	778	1,357
Other interest receivable	-	9,866
	<u>778</u>	<u>11,223</u>

5. INTEREST PAYABLE

	1995 £	1994 £
In respect of loans repayable on demand to:		
Abbey National Treasury Services plc	<u>8,942,055</u>	<u>11,408,425</u>

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	1995 £	1994 £
Auditors' remuneration	<u>9,100</u>	<u>9,086</u>

During the year the directors of the company were employed by the ultimate parent undertaking, Abbey National plc. No apportionment of directors' remuneration was made by the parent undertaking to the company (1994: nil).

The company had no directly employed staff during the year (1994: nil).

A management charge of £83,205 (1994: £70,062) in respect of administration and other services was paid to Abbey National Treasury Services plc during the year.

ABBEY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1995 - (continued)

7. TAXATION

	1995 £	1994 £
UK Corporation Tax at 33%		
Group relief	7,426,949	792,528
Deferred tax	(6,895,805)	(177,635)
Provision for tax variation	54,164	-
	<u>585,308</u>	<u>614,893</u>

The provision for tax variation arises as a result of changes to corporation tax rates brought about by the Finance Act 1991. The company's finance lease agreements contain tax variation clauses which require the company to pass the benefit of tax rate changes to lessees in the form of reduced future lease rentals receivable.

8. DEBTORS

- amounts falling due within one year

	1995 £	1994 £
Amounts due from parent undertakings in respect of group relief	-	2,476,731
Amounts due from fellow subsidiary undertaking	-	2,597
Net investment in finance leases	35,128,082	23,572,104
Other debtors	-	44,370
	<u>35,128,082</u>	<u>26,095,802</u>
Cost of assets acquired in the year for the purpose of letting under finance leases	<u>387,978</u>	<u>22,424,769</u>

Gross rentals receivable for the year amounted to £55,957,782 (1994: £60,469,317)

ABBEY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1995 - (continued)

9. CREDITORS

- amounts falling due within one year

	1995 £	1994 £
Amounts due to fellow subsidiary undertakings in respect of group relief	8,967,050	1,539,986
Amounts owed to Abbey National Treasury Services plc	85,036,140	128,398,524
Amounts owed to fellow subsidiary undertakings	3,964	-
Rentals received in advance	23,624,934	44,370,305
VAT payable	6,687,113	5,060,774
Other creditors	51,625	17,426
	<u>124,370,826</u>	<u>179,387,015</u>

The amounts owed to Abbey National Treasury Services plc and fellow subsidiary undertakings are unsecured, repayable on demand and bear interest at market rates.

10. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

Deferred taxation provided in the accounts and the total potential liability including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	1995 £	1994 £	1995 £	1994 £
Tax effect of timing differences due to excess of tax allowances over depreciation	<u>17,551,434</u>	<u>24,447,239</u>	<u>17,551,434</u>	<u>24,447,239</u>

The movement for deferred taxation is as follows:

	£
Provision at 1 July 1994	24,447,239
Transfer from profit and loss account	(6,895,805)
	<u>17,551,434</u>
Provision at 30 June 1995	<u>17,551,434</u>

ABBAY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1995 - (continued)

11.	CALLED UP SHARE CAPITAL	1995 £	1994 £
	Authorised		
	100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
12.	PROFIT AND LOSS ACCOUNT		£
	At 1 July 1994		3,001,191
	Retained profit for the year		<u>1,170,937</u>
	At 30 June 1995		<u>4,172,128</u>
13.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1995 £	1994 £
	Opening shareholders' funds	3,001,193	1,784,613
	Profit for the financial year	<u>1,170,937</u>	<u>1,216,580</u>
	Closing shareholders' funds	<u>4,172,130</u>	<u>3,001,193</u>
14.	CAPITAL COMMITMENTS	1995 £	1994 £
	Commitments as lessors for the purchase of equipment for use in finance leases	<u>23,061,955</u>	<u>23,598,763</u>

15. POST BALANCE SHEET EVENT

The lease facility for European Night Services Limited has been restructured on 19 January 1996. In addition, as part of the privatisation of British Railways Board, the company released its British Railways Board guarantee and took a guarantee from the Secretary of State for Transport.

ABBHEY NATIONAL JUNE LEASING (1) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 June 1995 - (continued)

16. ULTIMATE PARENT UNDERTAKING

The company's intermediate parent undertaking is Abbey National Treasury Services plc which is registered in England and Wales. According to the register kept by the company, Abbey National Treasury Services plc had a 100% interest in the equity capital of Abbey National June Leasing (1) Limited at 30 June 1995.

The company's ultimate parent undertaking is Abbey National plc which is registered in England and Wales. Abbey National plc had a 100% interest in the equity capital of Abbey National Treasury Services plc according to the register kept by the latter company at 30 June 1995. Consolidated accounts for Abbey National plc and Abbey National Treasury Services plc are available from Abbey House, Baker Street, London, NW1 6XL.