

Summit Lease Finance (No.3) Limited

Directors' report and financial statements

31 March 1995

Registered number 2579337



Summit Lease Finance (No.3) Limited

Directors' report and financial statements

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Summit Lease Finance (No.3) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1995.

Principal activities

The principal activity of the company is the financing of equipment to the printing trade.

Business review

The company has continued to undertake the financing of leases arranged by its parent company, Summit Leasing Limited. The directors do not expect any further equipment to be purchased by the company during the coming financial year.

Results and dividends

The result for the year is shown in the attached profit and loss account. The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who served during the year were:

SJK Barratt
N Pearce


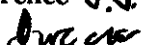
The directors who held office during the year had no interest in the share capital of the company.

The interests of Mr SJK Barratt in the share capital of The Summit Group PLC are shown in the financial statements of that company. The interests of Mr N Pearce in the share capital of Summit Asset Management Limited and Rapide Machinery Company Limited are shown in the financial statements of those companies.

Auditors

On 6 February 1995, our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


~~WSG Lawrence~~ S.J.K. BARRATT
Secretary 

2 Clerkenwell Green
London
EC1R 0DH

3 August 1995

Summit Lease Finance (No.3) 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 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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.



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Auditors' report to the members of Summit Lease Finance (No.3) Limited

We have audited the financial statements 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 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.

Parent company support

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the availability of support from the ultimate parent company, The Summit Group PLC. The financial statements of the company have been prepared on a going concern basis, the validity of which is dependent on the continuing support of The Summit Group PLC as set out in note 1. The financial statements do not include any adjustments that would result from a failure by The Summit Group PLC to provide this support. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

3rd August 1995

Summit Lease Finance (No.3) Limited

Profit and loss account
for the year ended 31 March 1995

	<i>Note</i>	1995 £	1994 £
Gross earnings under finance agreements	2	773,803	684,194
Administrative expenses	3-4	(53,816)	(62,800)
		<hr/>	<hr/>
Operating profit		719,987	621,394
 Interest receivable	 5	 11,535	 12,953
Interest payable	6	(696,349)	(912,149)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		35,173	(277,802)
 Tax on profit/(loss) on ordinary activities	 7	 -	 -
		<hr/>	<hr/>
Retained profit/(loss) for the financial year		35,173	(277,802)
Retained loss brought forward		(382,046)	(104,244)
		<hr/>	<hr/>
Retained loss carried forward		(346,873)	(382,046)
		<hr/>	<hr/>

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 in shareholders' funds is given in note 13.

Summit Lease Finance (No.3) Limited

Balance sheet at 31 March 1995

	Note	1995	1994
		£	£
Current assets			
Investments in finance agreements	8	3,493,630	5,003,038
Debtors	9	70,101	258,004
Cash at bank and in hand		21,739	3
		<u>3,585,470</u>	<u>5,261,045</u>
Creditors: amounts falling due within one year	10	<u>(1,524,365)</u>	<u>(1,007,067)</u>
Net current assets			
Due within one year		(116,849)	148,702
Due after one year		<u>2,177,954</u>	<u>4,105,276</u>
Total net current assets		<u>2,061,105</u>	<u>4,253,978</u>
Total assets less current liabilities		<u>2,061,105</u>	<u>4,253,978</u>
Creditors: amounts falling due after more than one year	11	<u>(2,407,976)</u>	<u>(4,636,022)</u>
Net liabilities		<u>(346,871)</u>	<u>(382,044)</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		<u>(346,873)</u>	<u>(382,046)</u>
		<u>(346,871)</u>	<u>(382,044)</u>

These financial statements were approved by the board of directors on 3 August 1995 and were signed on its behalf by:

~~N Pearce~~
Director


SJK Barratt
Director

Summit Lease Finance (No.3) Limited

Notes

(forming part of 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 the ultimate parent company, The Summit Group PLC, has given an undertaking that it will continue to provide financial and other support to Summit Lease Finance (No.3) Limited, 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 new and second-hand printing 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.

(i) 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.

(ii) 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.

(iii) Financing commitments

The company finances its leasing activities through a syndicated hire purchase facility. The company's financing commitments in relation to this facility are stated in the balance sheet at the total of the capital repayments outstanding.

Finance charges on these commitments are charged to profit and loss over the term of the arrangements in proportion to the balance of capital repayments outstanding.

(iv) Residual interests

In the majority of cases under its 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.

Summit Lease Finance (No.3) Limited

Notes (continued)

1 Accounting policies (continued)

Deferred taxation

Account is taken of timing differences between the accounting and taxation treatment of certain items to the extent that a liability is expected to crystallise in the foreseeable future.

Cashflow statement

The directors have taken advantage of paragraph 8c of Financial Reporting Standard 1 and have not presented a cashflow statement for the company.

2 Gross earnings under finance agreements

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

3 Operating profit

Auditors' remuneration has been borne by the immediate parent company, Summit Leasing Limited.

4 Remuneration of directors and staff numbers

Neither director received any emoluments in respect of services to the company during the year (1994:£nil). The company has no employees other than directors.

5 Interest receivable

	1995 £	1994 £
Bank interest receivable	<u>11,535</u>	<u>12,953</u>

6 Interest payable

	1995 £	1994 £
Lease and hire purchase interest payable	350,831	503,897
Interest payable to group undertakings	<u>345,518</u>	<u>408,252</u>
	<u>696,349</u>	<u>912,149</u>

Summit Lease Finance (No.3) Limited

Notes (continued)

7 Taxation

The company has a tax allowable loss for the period which will be carried forward.

8 Investments in finance agreements

	1995 £	1994 £
Minimum lease payments	5,050,386	7,439,965
Finance lease income allocated to future periods	(1,556,756)	(2,436,927)
Net investments in finance agreements	<u>3,493,630</u>	<u>5,003,038</u>
Due within one year	<u>1,315,676</u>	<u>897,763</u>

The cost of equipment acquired during the year amounted to *£nil* (1994:£nil).

Net investments in finance agreements includes £82,323 (1994:£462,063) held under hire purchase agreements.

Lease payments receivable in the year were £1,495,182 (1994:£1,870,733).

9 Debtors

	1995 £	1994 £
Trade debtors	2,338	90,405
Amounts owed by group undertakings	<u>67,763</u>	<u>167,599</u>
	<u>70,101</u>	<u>258,004</u>

Summit Lease Finance (No.3) Limited

Notes (continued)

10 Creditors: amounts falling due within one year

	1995 £	1994 £
Obligations under lease and hire purchase contracts	1,524,365	1,006,040
Accruals and deferred income	-	1,027
	<u>1,524,365</u>	<u>1,007,067</u>

11 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Obligations under lease and hire purchase contracts	<u>2,407,976</u>	<u>4,636,022</u>

The company has liabilities under hire purchase contracts which fall due after one year and are secured on sub-lease agreements in respect of the equipment being purchased. These agreements are at floating rates, which are protected by swap and cap arrangements, and are with full recourse to the company.

These obligations are repayable as follows:

	1995 £
1996 - 97	2,495,543
Less: finance charges allocated to future periods	<u>(87,567)</u>
	<u>2,407,976</u>

Summit Lease Finance (No.3) Limited

Notes (continued)

11 Creditors: amounts falling due after more than one year (continued)

In addition, the company has liabilities, under interest rate swap agreements, under which it pays the difference between a fixed rate and the London Interbank Offered Rate to its parent company Summit Leasing Limited. The estimated finance costs arising under these agreements which fall due after more than one year are as follows:

	1995 £
1996-97	91,675
1997-98	35,502
1998 and after	5,512
	<hr/>
	132,689
	<hr/>

12 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

Summit Lease Finance (No.3) Limited

Notes *(continued)*

13 Reconciliation of movement in shareholders' funds

	1995 £	1994 £
Profit/(loss) for the financial year	35,173	(277,802)
Opening shareholders' funds	<u>(382,044)</u>	<u>(104,242)</u>
Closing shareholders' funds	<u>(346,871)</u>	<u>(382,044)</u>

14 Ultimate parent company

The ultimate parent company is The Summit Group PLC, a company registered in England and Wales.