

Finance & Leasing Association

(A company limited by guarantee and not
having share capital)

Directors' report and financial statements

31 December 1992

Registered number 2651248



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Directors' report and financial statements

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Finance & Leasing Association

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Directors' report

The directors present their annual report and the audited financial statements for the period from 4 October 1991 to 31 December 1992.

Principal activities

The Association was incorporated on 4 October 1991 and an Extraordinary General Meeting was held on 6 November 1991 at which a Special Resolution was passed to accept the transfer of the assets and the undertaking and assume the liabilities and obligations of the Finance Houses Association Limited and the Equipment Leasing Association Limited as from 2 January 1992. The Association was activated on 2 January 1992.

The principal activities of the Association has been to continue to put the collective views of the members to government departments, Parliament, European institutions and other relevant organisations on matters which affect them, to promote honourable practices and encourage the highest standards of professionalism, to provide a forum for members to raise and have discussed general issues affecting their business and to provide business information to Members.

Business review

Full Membership of the Association has been confined to full members of the Finance Houses Association Limited (FHA) and the Equipment Leasing Association Limited (ELA) as at 31 December 1991 and other organisations which are engaged in the business of providing consumer credit and finance, instalment finance or asset finance or asset leasing in the United Kingdom. Associate Membership has been confined to associate members of the Finance Houses Association Limited and the Equipment Leasing Association Limited as at 31 December 1991 and other organisations with an interest in the same areas of business or providing professional advice or other services to full members.

The results for the period are set out in the profit and loss account on page 5.

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Directors' report *(continued)*

Directors and directors' interests

The members of the Executive Board who served during the period were as follows:

Brian C Hassell*	Barclays Mercantile Business Finance Ltd (resigned 11 May 1992)	Joint Chairman
Robert L Wyatt*	Forward Trust Group Limited (resigned 11 May 1992)	Joint Chairman
Ronald J Young*	Lombard North Central PLC	Chairman (from 11 May 1992)
Anthony G Mallin*	Hambros Bank Ltd	Deputy Chairman (from 11 May 1992)
John S Brown	NWS Bank plc (appointed 17 December 1991)	
Alan G Glass	Lloyds Bowmaker Finance Group (appointed 11 May 1992)	
Anthony W Jukes	Hill Samuel Asset Finance Ltd (appointed 11 May 1992)	

The members of the Executive Board are directors of the Association for Companies Act purposes. No members of the Executive Board had any interest in the loan capital of the Association.

*Appointed on 4 October 1991, the date of incorporation.

Political and charitable contributions

During the year the company made a donation of £500 to Motor and Allied Trade Benevolent Fund and provided secretariat services to the Money Advice Trust at no cost.

The company made no political contributions during the year.

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Directors' report *(continued)*

Liability insurance

During the year the company maintained liability insurance for its officers.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



NAD Grant CBE
Secretary

18 Upper Grosvenor Street
London W1X 9PB

PO Box 486
1 Puddle Dock
Blackfriars
London EC4V 3PD

Report of the auditors to the members of
Finance and Leasing Association

We have audited the financial statements on pages 5 to 16 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1992 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

*Chartered Accountants
Registered Auditors*

5 April 1993.

Finance & Leasing Association

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Profit and loss account

for the period ended 31 December 1992

	Note	1992 £
Members' subscriptions		1,311,873
Other trading income	2	392,863
Administrative expenses		<u>(1,681,937)</u>
Trading profit		22,799
Other operating income		21,501
Other interest receivable and similar income	6	87,635
Interest payable and similar charges	7	<u>(3,456)</u>
Profit on ordinary activities before taxation	3	128,479
Tax on profit on ordinary activities	8	<u>(37,634)</u>
Retained reserves carried forward	14	<u>90,845</u>

Finance & Leasing Association


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Balance sheet
at 31 December 1992

	Note	1992 £	£
Fixed assets			
Tangible assets	9		60,487
Current assets			
Debtors	10	145,121	
Cash at bank and in hand		429,598	
		<u>574,719</u>	
Creditors: amounts falling due within one year	11	(378,818)	
Net current assets			<u>195,901</u>
Total assets less current liabilities			<u>256,388</u>
Creditors: amounts falling due after more than one year	12		<u>22,287</u>
Net assets			<u>234,101</u>
Capital and reserves			
Members loan capital			25,071
Reserve fund	14		<u>209,030</u>
			<u>234,101</u>

These financial statements were approved by the board of directors on 5th April 1993 and were signed on its behalf by:


RJ Young


AG Mallin
Directors

Finance & Leasing Association

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Notes

(forming part of the financial statements)

1 Status of the Association

The Finance and Leasing Association is a company limited by guarantee and does not have share capital.

In the event of winding up, each full member is liable to contribute an amount not exceeding £1 towards its debts and liabilities. At 31 December 1992 there were 108 members and 34 associate members.

2 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.

Period of accounts

As noted in the directors' report the Association was incorporated on 4 October 1991 and was activated on 2 January 1992. The accounts have been prepared for the period from incorporation to 31 December 1992, although trading activities were only carried out for the period from 2 January 1992 to 31 December 1992.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	period of lease
Plant and machinery	-	3 to 5 years (or over the period of a lease)
Motor vehicle	-	3 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

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Notes (continued)

2 Accounting policies (continued)

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Other trading income

Other trading income represents income from conferences and training courses held during the year and income from the sale of publications, excluding value added tax.

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Notes (continued)

3 Profit on ordinary activities before taxation

	1992 £
<i>Profit on ordinary activities before taxation is stated</i>	
<i>after charging</i>	
Auditors' remuneration:	
Audit	8,000
Other services	1,500
Depreciation and other amounts written off tangible fixed assets:	
Owned	13,168
Leased	2,649
Hire of plant and machinery - rentals payable under operating leases	<u>21,022</u>
<i>after crediting</i>	
Rents receivable from property	<u>21,501</u>

The total amount charged to revenue for the hire of plant and machinery amounted to £25,353. This comprises rentals payable under operating leases as well as depreciation on plant and machinery held under finance leases together with the related finance charges.

4 Remuneration of directors

No members of the Executive Board received any remuneration during the year.

Finance & Leasing Association

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Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 1992
Management	8
Administration	13
	<hr/>
	21
	<hr/>

The aggregate payroll costs of these persons were as follows:

	1992 £
Wages and salaries	474,594
Social security costs	50,245
Other pension costs (see note 16)	66,799
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	591,638
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6 Other interest receivable and similar income

	1992 £
Bank interest receivable	87,635
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Notes (continued)

7 Interest payable and similar charges

	1992 £
On bank loans, overdrafts and other loans wholly repayable within five years	
Finance charges payable in respect of finance leases and hire purchase contracts	1,774
	<u>1,682</u>
	<u>3,456</u>

8 Taxation

	1992 £
UK corporation tax at 25% on the profit for the year on ordinary activities	
Deferred taxation (note 13)	33,655
Adjustment relating to an earlier year	(984)
	<u>4,963</u>
	<u>37,634</u>

The prior year item relates to adjustments in the 1991 corporation tax liabilities of the Finance Houses and Equipment Leasing Associations for which the Association has assumed responsibility.

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Notes (continued)

9 Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures, fittings, tools and equipment £	Total £
Cost				
Transfer from FHA/ELA on 2 January 1992	19,298	11,660	76,715	107,673
Additions	-	13,070	37,700	50,770
Disposals	-	(11,660)	-	(11,660)
Write-off of fully depreciated assets	-	-	(71,216)	(71,216)
At end of period	19,298	13,070	43,199	75,567
Depreciation				
Transfer from FHA/ELA on 2 January 1992	8,102	2,526	63,932	74,560
Charge for year	1,018	3,007	11,792	15,817
On disposals	-	(4,081)	-	(4,081)
Write-off of fully depreciated assets	-	-	(71,216)	(71,216)
At end of period	9,120	1,452	4,508	15,080
Net book value				
At 31 December 1992	10,178	11,618	38,691	60,487

Included in the total net book value of fixtures and fittings is £38,495 in respect of assets held under finance leases. Depreciation for the year on these assets was £2,649.

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Notes (continued)

10 Debtors: due within one year

	1992 £
Trade debtors	37,607
Prepayments and accrued income	107,514
	<u>145,121</u>

11 Creditors: amounts falling due within one year

	1992 £	£
Obligations under finance leases and hire purchase contracts (see note 12)		14,267
Member creditors		1,082
Trade creditors		243,985
Other creditors including taxation and social security:		
Corporation tax	44,462	
Other taxes and social security	16,772	
	<u>61,234</u>	
Taxation and social security		61,234
Other creditors		20,533
		<u>81,767</u>
Accruals and deferred income		37,717
		<u>378,818</u>

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Notes (continued)

12 Creditors: amounts falling due after more than one year

	1992 £
Obligations under finance leases and hire purchase contracts	<u>22,287</u>
Creditors payable by instalments	
Instalments payable within five years:	1992 £
Finance lease obligations	<u>22,287</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	1992 £
Within one year	
In the second to fifth years	16,811 <u>23,931</u>
Less future finance charges	40,742 <u>(4,188)</u>
	<u>36,554</u>

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Notes (continued)

13 Deferred taxation

	1992 £
At beginning of period	-
Amount transferred from FHA/ELA on 2 January 1992	984
Released in period	(984)
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At end of period	-
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The calculation of deferred tax at the period end results in a deferred tax asset, which has not been recognised in the accounts.

14 Reserves

	Reserve fund £	£
At beginning of period		-
Amounts transferred from:		
FHA	91,694	
ELA	26,491	
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Transfer to reserves for period		118,185
		<hr/>
At end of period		209,030
		<hr/>

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Notes (continued)

15 Commitments

At 31 December 1992 the Association had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings £	Other £
Operating leases which expire:		
Within 1 year	-	296
2 - 5 years	-	19,498
Over 5 years	335,000	-
	<u>335,000</u>	<u>19,794</u>

16 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £66,799.