

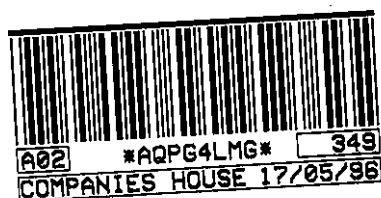
## **Finance & Leasing Association**

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

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

**31 December 1995**

Registered number 2651248



# Finance & Leasing Association

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

## Directors' report and financial statements

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# **Finance & Leasing Association**

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

## **Directors' report**

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

### **Principal activities**

The principal activities of the Association have been to continue to improve the business opportunities for members, 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 is available to 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 is available to 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 6.

# Finance & Leasing Association

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

## Directors' report *(continued)*

### Directors and directors' interests

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

Anthony W Jukes	Hill Samuel Asset Finance Ltd	Chairman from 9 May 1995 (Deputy Chairman to 9 May 1995)
John D Callender	Barclays Mercantile Business Finance Ltd	Deputy Chairman from 9 May 1995
David A Baggaley	Lloyds Bowmaker Finance Group (appointed 18 May 1995)	
Michael Brian	Lombard North Central PLC (appointed 17 May 1995)	
John S Brown	NWS BANK plc	
David C Flanigan	Ford Credit Europe plc (resigned 9 May 1995)	
Martin A Hall	Director General (appointed 13 November 1995)	
David G Hardisty	Close Brothers Group plc (resigned 18 May 1995)	(Chairman to 9 May 1995)
Michael A Woodall	Beneficial Bank PLC (appointed 18 May 1995)	

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.

# Finance & Leasing Association

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

## Directors' report (*continued*)

### Political and charitable contributions

During the year the company made a donation of £550 to Motor and Allied Trade Benevolent Fund.

The company made no political contributions during the year.

### Liability insurance

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

### Auditors

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



**MA Hall**  
*Secretary*

18 Upper Grosvenor Street  
London W1X 9PB

7 March 1996

# **Finance & Leasing Association**

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

## **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;
- 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.



PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

**Auditors' report to the members of Finance & Leasing Association**  
*(A company limited by guarantee and not having share capital)*

We have audited the financial statements on pages 6 to 16.

*Respective responsibilities of directors and auditors*

As described on page 4 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.

*Opinion*

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

KPMG

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

7 March 1996

# Finance & Leasing Association

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

## Profit and loss account

for the year ended 31 December 1995

	Note	1995 £	1994 £
Members' subscriptions		1,518,393	1,404,909
Other trading income		565,766	444,194
Administrative expenses		<u>(2,108,083)</u>	<u>(1,881,626)</u>
Trading (loss)/profit		(23,924)	(32,523)
Other operating income		27,717	24,289
Other interest receivable and similar income	6	66,998	47,940
Interest payable and similar charges	7	<u>(3,746)</u>	<u>(11,538)</u>
Profit on ordinary activities before taxation	3	67,045	28,168
Tax on profit on ordinary activities	8	<u>(19,369)</u>	<u>(25,641)</u>
Retained profit for the financial year	13	<u>47,676</u>	<u>2,527</u>

The company made no acquisitions and had no discontinued activities.

In both the current and preceding years the company made no recognised gains or losses other than those reported above.



# Finance & Leasing Association

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

## Balance sheet at 31 December 1995

	Note	1995		1994	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		67,385		49,121
<b>Current assets</b>					
Debtors	10	158,705		151,597	
Cash at bank and in hand		269,175		284,586	
		<u>427,880</u>		<u>436,183</u>	
Creditors: amounts falling due within one year	11	(168,902)		(206,617)	
<b>Net current assets</b>			<u>258,978</u>		<u>229,566</u>
<b>Total assets less current liabilities</b>			<u>326,363</u>		<u>278,687</u>
Creditors: amounts falling due after more than one year	12		(25,071)		(25,071)
<b>Net assets</b>			<u>301,292</u>		<u>253,616</u>
<b>Capital and reserves</b>					
Reserve fund	13		<u>301,292</u>		<u>253,616</u>

These financial statements were approved by the board of directors on 7 March 1996 and were signed on its behalf by:

  
AW Jukes  
Director

  
JD Callender  
Director

# Finance & Leasing Association

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

## 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 1995 there were 113 members and 55 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.

A cash flow statement has not been prepared on the grounds that the company qualifies as a small company.

#### *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
Fixtures and fittings	-	3 to 5 years (or over the period of a lease)
Motor vehicles	-	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.

# Finance & Leasing Association

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

## 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, income from statistical services and from the sale of publications, excluding value added tax.

## Finance & Leasing Association

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

### Notes (continued)

#### 3 Profit on ordinary activities before taxation

	1995 £	1994 £
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	8,000	8,000
Other services	1,500	1,500
Depreciation and other amounts written off tangible fixed assets:		
Owned	24,516	8,794
Leased	11,595	13,075
Hire of plant and machinery - rentals payable under operating leases	21,913	20,171

The total amount charged to revenue for the hire of plant and machinery amounted to £34,137 (1994:£41,148). 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

The emoluments, excluding pension contributions of the only paid director were £13,968 (1994:£nil).

The emoluments paid to the director were refunded to the Association by certain member companies.

# Finance & Leasing Association

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

## 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	
	1995	1994
Management	9	9
Administration	19	15
	<hr/>	<hr/>
	28	24
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1995	1994
	£	£
Wages and salaries	724,389	562,605
Social security costs	73,608	56,763
Other pension costs (see note 16)	93,626	72,668
	<hr/>	<hr/>
	891,623	692,036
	<hr/>	<hr/>

### 6 Other interest receivable and similar income

	1995	1994
	£	£
Bank interest receivable	66,998	47,940
	<hr/>	<hr/>

# Finance & Leasing Association

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

## Notes (continued)

### 7 Interest payable and similar charges

	1995 £	1994 £
On bank loans, overdrafts and other loans wholly repayable within five years	3,117	3,905
Finance charges payable in respect of finance leases and hire purchase contracts	629	7,633
	<u>3,746</u>	<u>11,538</u>

### 8 Taxation

	1995 £	1994 £
UK corporation tax at 25% on the profit for the year on ordinary activities	19,369	20,365
Adjustment relating to an earlier year	-	5,276
	<u>19,369</u>	<u>25,641</u>

The 1994 prior year item relates to adjustments made to the 1992 corporation tax computation.

# Finance & Leasing Association

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

## Notes (continued)

### 9 Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures, fittings, tools and equipment £	Total £
<i>Cost</i>				
At beginning of period	28,812	13,070	60,794	102,676
Additions	11,900	36,575	8,441	56,916
Disposals	-	(13,070)	(39,949)	(53,019)
At end of period	40,712	36,575	29,286	106,573
<i>Depreciation</i>				
At beginning of period	11,417	10,166	31,972	53,555
Charge for year	5,837	10,402	19,872	36,111
On disposals	-	(10,529)	(39,949)	(50,478)
At end of period	17,254	10,039	11,895	39,188
<i>Net book value</i>				
At 31 December 1995	23,458	26,536	17,391	67,385
At 31 December 1994	17,395	2,904	28,822	49,121

Included in the total net book value of fixtures and fittings is £nil (1994:£11,595) in respect of assets held under finance leases. Depreciation for the year on these assets was £11,595 (1994:£13,075).

# Finance & Leasing Association

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

## Notes (continued)

### 10 Debtors: amounts falling due within one year

	1995 £	1994 £
Trade debtors	22,442	40,189
Other debtors	25,227	-
Prepayments and accrued income	111,036	111,408
	<u>158,705</u>	<u>151,597</u>

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

	1995 £	1994 £
Obligations under finance leases and hire purchase contracts (see note 12)	-	14,345
Trade creditors	53,816	91,593
Other creditors including taxation and social security:		
Corporation tax	31,506	20,365
Other taxes and social security	27,268	19,345
	<u>58,774</u>	<u>39,710</u>
Taxation and social security	21,831	34,591
Other creditors		
	<u>80,605</u>	<u>74,301</u>
Accruals and deferred income	34,481	26,378
	<u>168,902</u>	<u>206,617</u>



# Finance & Leasing Association

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

## Notes (continued)

### 12 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Members' loan capital	<u>25,071</u>	<u>25,071</u>

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

	1995 £	1994 £
Within one year	-	15,211
In the second to fifth years	-	-
	<u>-</u>	<u>-</u>
	-	15,211
Less future finance charges	-	(866)
	<u>-</u>	<u>(866)</u>
	-	14,345
	<u>-</u>	<u>14,345</u>

The members' loan capital has no fixed maturity date and members have waived their entitlement to interest thereon.

### 13 Reserves

	Reserve fund	
	1995 £	1994 £
At beginning of year	253,616	251,089
Transfer to reserves for year	<u>47,676</u>	<u>2,527</u>
At end of year	<u>301,292</u>	<u>253,616</u>

# Finance & Leasing Association

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

## Notes (continued)

### 14 Commitments

At 31 December 1995 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	-	-
2 - 5 years	-	30,833
Over 5 years	335,000	-
	<u>335,000</u>	<u>30,833</u>

### 15 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £93,626 (1994:£72,668).