

KLEINWORT BENSON LEASING SEPTEMBER (1) LTD.  
(FORMERLY S.G. WARBURG & CO. (LEASING) (NUMBER 3) LTD.)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1995



KLEINWORT BENSON LEASING SEPTEMBER (1) LTD.

(FORMERLY S.G. WARBURG & CO. (LEASING) (NUMBER 3) LTD.)

DIRECTORS' REPORT

The directors submit the annual report and the audited accounts of the Company for the year ended 30th September, 1995.

**CHANGE OF NAME**

On 22nd December, 1995 the Company changed its name to Kleinwort Benson Leasing September (1) Ltd.

**ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENT**

The Company acts as a leasing company. The business of the Company continues without significant change.

**RESULTS AND DIVIDEND**

The profit of the Company for the year, after taxation, amounted to £158. The directors do not recommend the payment of a dividend for the year ended 30th September, 1995 and the credit balance on the profit and loss account of £185 is to be carried forward.

**POST BALANCE SHEET EVENT**

Information relating to a post balance sheet event is given in note 15 on the accounts.

**DIRECTORS**

The directors who held office during the year were as follows:-

D.M.M. Beever (resigned 13th October, 1995)  
M.R. Hardwick  
P.D. Read

S.W. Leathes resigned as a director on 8th September, 1995.  
N.G. Aiken and K.J. Whiting were appointed directors on 4th October, 1995.  
P.G. Myall was appointed on 22nd December, 1995.

None of the directors had any disclosable interests in the shares or debentures of any group company.

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DIRECTORS' REPORT continued

**AUDITORS**

Ernst & Young have indicated their intention to resign as auditors of the Company following the approval of the report and accounts for the year ended 30th September, 1995. At that time the directors will appoint Coopers & Lybrand as auditors of the Company.

The Company has passed an elective resolution in accordance with section 379A of the Companies Act 1985 to dispense with the annual appointment of the auditors; accordingly once appointed by the directors, Coopers & Lybrand will remain in office.

Approved by the Board of Directors  
and signed on behalf of the Board.

A handwritten signature in dark ink, appearing to be 'L.E. Young', written in a cursive style.

L.E. Young  
Secretary

28th March , 1996

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

KLEINWORT BENSON LEASING SEPTEMBER (1) LTD.

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The following statement, which should be read in conjunction with the auditors' statement of their responsibilities set out on the following page, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the financial year.

The directors consider that in preparing the accounts the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

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 that the accounts comply with the Companies Act 1985. They 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.

## AUDITORS' REPORT

TO THE MEMBERS OF KLEINWORT BENSON LEASING SEPTEMBER (1) LTD.

(FORMERLY S.G. WARBURG & CO. (LEASING) (NUMBER 3) LTD.)

We have audited the accounts set out on pages 5 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on the previous page the Company's directors are responsible for the preparation of the 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 affairs of the Company at 30th September, 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered accountants  
Registered auditor  
London

( April , 1996

KLEINWORT BENSON LEASING SEPTEMBER (1) LTD.

(FORMERLY S.G. WARBURG & CO. (LEASING) (NUMBER 3) LTD.)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

	Note	1995 £	1994 £
Gross earnings under finance leases	2	48,204	1,784
Interest payable to parent undertaking in respect of finance leases		(66,182)	(945)
Gross (loss)/profit		(17,978)	839
Charges to/(from) from parent undertaking		18,213	(800)
Profit on ordinary activities before taxation	3	235	39
Taxation on profit on ordinary activities	6	(77)	(12)
Profit on ordinary activities after taxation		158	27
Balance brought forward		27	-
Balance carried forward		185	27

There were no recognised gains and losses other than the profit on ordinary activities after taxation.


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BALANCE SHEET AS AT 30TH SEPTEMBER, 1995

	Note	1995 £	1994 £
CURRENT ASSETS			
Finance lease receivables falling due:			
After more than one year		12,127,213	14,099
Within one year		614,953	9,303
		<hr/>	<hr/>
	7	12,742,166	23,402
Debtors	8	893,713	4,647
Cash at bank and in hand	9	-	100
CREDITORS: amounts falling due within one year	10	(12,765,512)	(28,277)
		<hr/>	<hr/>
NET CURRENT ASSETS		870,367	(128)
PROVISION FOR LIABILITIES AND CHARGES	11	(870,082)	255
		<hr/>	<hr/>
		285	127
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account		185	27
		<hr/>	<hr/>
Shareholders' funds		285	127
		<hr/>	<hr/>

  
M.R. HARDWICK

  
P.D. READ

Directors

28th March, 1996

KLEINWORT BENSON LEASING SEPTEMBER (1) LTD.

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MOVEMENT IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Balance at 1st October	127	-
Profit on ordinary activities after taxation	158	27
Ordinary shares issued	-	100
	<hr/>	<hr/>
Balance at 30th September	285	127
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NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER, 1995

1. Accounting policies

- (a) The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.
- (b) Finance lease receivables are amortised over the period for which they are receivable on a basis calculated to give an approximately constant rate of return on funds invested. To the extent that they are reflected in the profit and loss account, the benefits of grants receivable and of group relief receivable in excess of the provision for deferred tax have been engrossed at the rate of corporation tax for the year with a corresponding increase in the amount shown for the taxation charge.
- (c) Provision is made for current taxation in full and for deferred taxation in respect of timing differences to the extent that it is expected to crystallise in the foreseeable future. Timing differences arise from capital allowances on assets acquired for leasing. Deferred taxation asset balances are recognised only insofar as they are considered to be recoverable. The deferred taxation provision takes account of the continuation of leasing activities in the Company.
- (d) Government grants are recognised in the profit and loss account so as to match them with the expenditure to which they contribute. Unrecognised amounts are included in the balance sheet as deferred income.

	1995 £	1994 £
2. Gross earnings under finance leases represent		
Aggregate finance lease rentals	85,149	7,442
Capital repayments	(36,945)	(5,658)
	<hr/>	<hr/>
	48,204	1,784
	<hr/>	<hr/>
3. Auditors' remuneration		
Audit fee	100	100
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NOTES ON THE ACCOUNTS continued

4. Certain administrative costs are borne by the Company's parent companies.
5. None (1994 none) of the directors who served during the year received any emoluments for services to the Company.

	1995 £	1994 £
6. Taxation on profit on ordinary activities		
Group relief receivable /(Corporation tax) at 33 per cent	870,260	(267)
Deferred taxation	(870,337)	255
	<u>(77)</u>	<u>(12)</u>

7. Finance lease receivables

The cost of assets acquired during the year for the purpose of leasing under finance leases was £12,751,251 (1994 - £28,976).

8. Debtors

Group relief receivable	869,993	-
Amounts due from parent undertaking	19,073	-
Other debtors	4,647	4,647
	<u>893,713</u>	<u>4,647</u>

9. Cash at bank and in hand

Bank balance with parent undertaking	-	100
	<u>-</u>	<u>100</u>

10. Creditors: amounts falling due within one year

Bank loan from parent undertaking	12,226,761	26,809
Lease rentals received in advance	506,310	-
Amounts due to parent undertaking	-	200
Taxation	-	267
Other creditors	32,441	1,001
	<u>12,765,512</u>	<u>28,277</u>

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NOTES ON THE ACCOUNTS continued

11. Provision for liabilities and charges

Deferred taxation	£
At 1st October, 1994	(255)
Transfer to profit and loss account	870,337
	<hr/>
At 30th September, 1995	870,082
	<hr/>

The full potential liability for deferred taxation at 30th September, 1995 is £870,082 (1994 - £(255)).

	1995	1994
	£	£
12. Called up share capital		
Authorised, allotted and fully paid		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

13. Group accounts

The Company was at 30th September, 1995 a wholly owned subsidiary of S.G. Warburg & Co. Ltd. whose ultimate parent company was, at 31st March, 1995, S.G. Warburg Group plc. Both of these companies are registered in England and have included the Company in group accounts made up to 31st March, 1995, copies of which may be obtained from 1, Finsbury Avenue, London, EC2M 2PP.

14. Ultimate parent company

The sale of the investment banking business of the S.G. Warburg Group to Swiss Bank Corporation was completed on 2nd July, 1995, such that Swiss Bank Corporation, which is incorporated in Switzerland, was at 30th September, 1995 and until 22nd December, 1995, the Company's ultimate parent company.

15. Post balance sheet event

On 22nd December, 1995, the share capital of the Company's parent company, Kleinwort Benson Leasing Ltd., formerly S.G. Warburg & Co. (Leasing) Ltd., was sold to Kleinwort Benson Ltd., such that Dresdner Bank A.G., which is incorporated in Germany, is now the Company's ultimate parent company.