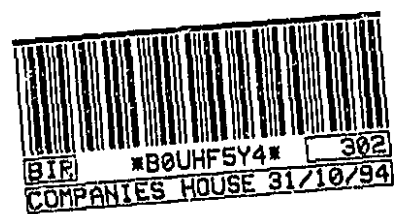


AUTOLEASE LIMITED
REPORT AND FINANCIAL STATEMENTS

31 December 1993

Registered number 767474



AUTOLEASE LIMITED

DIRECTORS' REPORT

31 December 1993

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 1993.

Results and dividends

The profit for the year after taxation amounted to £1,525,513. It is recommended that no dividend be paid and that the profit of £1,525,513 be transferred to reserves.

Review of business

The principal activities of the company continue to be those of motor vehicle hirers.

The turnover for the year at £62,880,522 was 17 % lower than the previous year. The profit on ordinary activities before taxation amounted to £2,436,513 compared with a profit of £309,172 in the previous year.

The directors consider the state of affairs of the company to be satisfactory.

Fixed assets

The movements in tangible fixed assets during the year are set out in the notes to the financial statements.

Directors

The following were directors of the company at 31 December 1993

R.E.C. Marton) Directors of B.S.G.
J.B. Tustain) International plc
J.M. Given
A. Guest
K.B. Hall
J. Haynes
T.J. Jones

Mr. R.E.C. Marton was appointed as a director of the company on 1 August 1993.

Mr. T.C. Cannon resigned as a director of the company on 10 May 1993.

In accordance with the Articles of Association none of the directors retire.

AUTOLEASE LIMITED

DIRECTORS' REPORT

31 December 1993

(continued)

Directors' shareholdings

None of the directors have any beneficial interest in the share capital of the company.

The directors of the parent undertaking disclose their interests in the share capital of B.S.G. International plc in the financial statements of that company. None of the other directors have any beneficial interest in the share capital of B.S.G. International plc.

The directors holding options under the share option schemes of B.S.G. International plc (other than directors of the parent undertaking) are as follows

	31 December 1993 Ordinary shares of 10p each	31 December 1992 Ordinary shares of 10p each
Options held under the B.S.G. International plc Executive Share Option Scheme 1985		
T.J. Jones	103,940	100,000
Options held under the B.S.G. International plc Savings Related Share Option Scheme 1988		
J.M. Given	9,066	8,720
A. Guest	30,157	-
K.B. Hall	39,262	26,162
T.J. Jones	39,262	26,162

Share capital

On 1 July 1993 the authorised share capital was increased by 999,000 Ordinary shares of £1 each. On the same date 999,450 Ordinary shares of £1 ranking pari passu with the shares already in issue were issued as fully paid by capitalising existing reserves.

Officers' insurance

The company has purchased and maintained insurance to cover its officers against liabilities in relation to their duties to the company.

AUTOLEASE LIMITED

DIRECTORS' REPORT

31 December 1993

(continued)

Auditors

The company has elected to dispense with the annual re-appointment of auditors and in the absence of a specific resolution to the contrary Kidsons Impey will continue in office.

Registered Office

Burgess House
1270 Coventry Road
Yardley
Birmingham B25 8JD

By order of the board

R. Thorne

for B.S.G. Secretarial Services Limited

Secretary

30 March 1994

AUTOLEASE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 December 1993

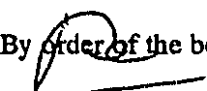
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that year.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- state whether applicable accounting standards have been followed, and give details of any departures
- prepare the financial statements on a going concern basis unless in their view the company will be unable to continue in business.

They are also responsible for:

- keeping proper accounting records
- safeguarding the company's assets
- taking reasonable steps for the prevention and detection of fraud

By  of the board
R. Thorne

for B.S.G. Secretarial Services Limited

Secretary

30 March 1994

AUTOLEASE LIMITED

AUDITORS' REPORT

Auditors' report to the shareholders of Autolease Limited

We have audited the financial statements on pages 6 to 16 which have been prepared under the accounting policies set out on page 9.

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 at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kidsons Impey

Kidsons Impey

Registered Auditors

Chartered Accountants

Birmingham

30 March 1994

AUTOLEASE LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1993

	Note	1993 £	1992 £
Turnover	2	62,880,522	75,879,300
Cost of sales		(58,263,857)	(73,575,665)
		<hr/>	<hr/>
Gross profit		4,616,665	2,303,635
Administrative expenses		(2,401,926)	(2,172,845)
		<hr/>	<hr/>
Operating profit	3	2,214,739	130,790
Interest receivable	4	824,362	987,835
Interest payable	5	(602,588)	(809,453)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		2,436,513	309,172
Taxation	7	(911,000)	(160,776)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,525,513	148,396
Dividends	8	-	(600,000)
		<hr/>	<hr/>
Retained profit/(loss) for the year	14	1,525,513	(451,604)
		<hr/>	<hr/>

AUTOLEASE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

31. December 1993

There are no recognised gains or losses other than the profit for the year of £1,525,513 (1992 loss £451,604).

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1993 £	1992 £
Profit for the year	1,525,513	148,396
Dividends	_____ -	(600,000)
Net addition to/(reduction in) shareholders' funds	1,525,513	(451,604)
Opening shareholders' funds	<u>2,778,748</u>	<u>3,230,352</u>
Closing shareholders' funds	<u>4,304,261</u>	<u>2,778,748</u>

AUTOLEASE LIMITED

BALANCE SHEET

at 31 December 1993

	Note	1993		1992	
		£	£	£	£
Fixed assets					
Tangible assets	9		482,800		586,488
Current assets					
Debtors	10	23,687,319		21,044,527	
Cash at bank		<u>2,942</u>		<u>2,510</u>	
		23,690,261		21,047,037	
Creditors: amounts falling due within one year	11	<u>(19,868,800)</u>		<u>(18,832,777)</u>	
Net current assets			<u>3,821,461</u>		<u>2,214,260</u>
Total assets less current liabilities			4,304,261		2,800,748
Provision for liabilities and charges					
Deferred tax	12		<u>-</u>		<u>(22,000)</u>
			<u>4,304,261</u>		<u>2,778,748</u>
Capital and reserves					
Called up share capital	13	1,000,000			550
Profit and loss account	14	<u>3,304,261</u>		<u>2,778,198</u>	
			<u>4,304,261</u>		<u>2,778,748</u>

The financial statements on pages 6 to 16 were approved by the board of directors on 30 March 1994


J.B. Tustain Director

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of freehold property.

Depreciation

Depreciation is calculated on cost or revalued amounts on a straight line basis to write off the relevant assets over their expected useful lives. The principal annual rates used are as follows

	%
Vehicles	25
Office equipment	10
Computer equipment	33.33

Contract hire and leasing business

The company has entered into operating agreements with finance houses in respect of vehicles which are subleased to customers. Net income from vehicle leasing and contract hire agreements is credited to the profit and loss account so as to spread profits equally over the period of the lease.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease. Assets held for the company's own use and funded through finance leases have not been capitalised in the balance sheet.

Deferred taxation

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. Where such timing differences are anticipated to continue for the foreseeable future no provision is made.

Pensions

The parent undertaking operates a number of defined benefit pension schemes for its employees. All the schemes are funded; liabilities are provided on a systematic basis over the period of employment of scheme members. Variations disclosed by actuarial valuations are spread over the average remaining service lives of current scheme members.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No.1 as it is a wholly owned subsidiary undertaking and the parent undertaking publishes consolidated financial statements which include a consolidated cash flow statement.

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993
(continued)

2 Turnover

Turnover represents the invoiced value excluding value added tax of services provided to customers.

The turnover and profit before taxation are attributable to the principal activities of the company, being those of motor vehicle hirers.

Turnover relates wholly to continuing operations in the United Kingdom.

3	Operating profit	1993 £	1992 £
	Operating profit is stated after charging		
	Depreciation of tangible fixed assets		
	- Owned assets	161,053	175,809
	- Profit on the sale of fixed assets	<u>(349)</u>	<u>-</u>
		<u>160,704</u>	<u>175,809</u>
	Auditors' remuneration		
	- Audit fees	17,900	18,072
	- Other services	850	925
	Operating lease rentals		
	- Hire of plant and machinery	<u>43,471,525</u>	<u>54,019,885</u>
4	Interest receivable		
	Group company	824,362	986,959
	Other interest	<u>-</u>	<u>876</u>
		<u>824,362</u>	<u>987,835</u>

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

5	Interest payable	1993 £	1992 £
	Interest payable on loans repayable within 5 years		
	Bank overdraft	602,588	759,635
	Parent undertaking	<u>-</u>	<u>49,818</u>
		<u>602,588</u>	<u>809,453</u>
6	Directors and employees		
	Staff costs including directors' emoluments		
	Wages and salaries	1,658,704	1,481,956
	Social security costs	196,274	170,008
	Pension costs	<u>24,812</u>	<u>20,957</u>
		<u>1,879,790</u>	<u>1,672,921</u>
	Average number of persons employed including executive directors	Number	Number
	Sales and distribution	31	28
	Administration	<u>122</u>	<u>115</u>
		<u>153</u>	<u>143</u>
	Directors' emoluments	£	£
	For management	<u>394,153</u>	<u>254,418</u>
	Emoluments excluding pension contributions are analysed as follows		
	Chairman		
	- to 10 May 1993	<u>Nil</u>	<u>Nil</u>
	- from 1 August 1993	<u>Nil</u>	<u>Nil</u>
	Highest paid director	<u>92,519</u>	<u>74,200</u>

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993
(continued)

6	Directors and employees (continued)	1993	1992
	Number of other directors whose emoluments were within the ranges	Number	Number
	£0 - £5,000	1	1
	£10,001 - £15,000	-	1
	£55,001 - £55,000	-	2
	£60,001 - £65,000	-	1
	£70,001 - £75,000	3	-
	£75,001 - £80,000	1	-
7	Taxation	£	£
	The taxation charge comprises		
	U.K. corporation tax at 33% (1992 33%)	933,000	143,000
	Deferred tax	(22,000)	22,000
	Prior year's adjustment - corporation tax	-	(4,224)
		<u>911,000</u>	<u>160,776</u>
8	Dividends	£	£
	Final dividend 1992 £1,090.91 per share	-	600,000
		<u>-</u>	<u>600,000</u>

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993
(continued)

9	Tangible fixed assets	Plant, machinery, equipment and motor vehicles £	
	Cost or valuation		
	1 January 1993	1,431,865	
	Additions	58,135	
	Disposals	<u>(1,100)</u>	
	31 December 1993	<u>1,488,900</u>	
	Depreciation		
	1 January 1993	845,377	
	Charge for the year	161,053	
	Disposals	<u>(330)</u>	
	31 December 1993	<u>1,006,100</u>	
	Net book amount		
	31 December 1993	<u>482,800</u>	
	31 December 1992	<u>586,488</u>	
10	Debtors	1993 £	1992 £
	Trade debtors	1,423,336	1,846,629
	Amount owed by parent undertaking	3,238,478	494,901
	Amounts owed by fellow subsidiaries	14,172,362	12,685,028
	Group taxation relief	-	384,433
	Taxes recoverable	-	200,000
	Prepayments and accrued income	<u>4,853,143</u>	<u>5,433,564</u>
		<u>23,687,319</u>	<u>21,044,527</u>

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

11 Creditors: amounts falling due within one year	1993 £	1992 £
Bank overdrafts	4,451,978	3,872,266
Trade creditors	5,881,515	6,307,394
Amounts owed to fellow subsidiaries	1,438,488	674,141
Corporation tax	1,370,730	837,730
Other taxes and social security	382,746	886,785
Accruals	<u>6,343,343</u>	<u>6,254,461</u>
	<u>19,868,800</u>	<u>18,832,777</u>

12 Deferred tax

The deferred tax liability at 31 December 1993 arising on timing differences, calculated on the liability method at 33% (1992 33%) is as follows:

	1993 Potential liability £	Amount provided £	1992 Potential liability £	Amount provided £
Accelerated capital allowances	26,000	-	36,000	22,000
Other timing differences	<u>(117,000)</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>
	<u>(91,000)</u>	<u>-</u>	<u>33,000</u>	<u>22,000</u>

13 Called up share capital

	1993 £	1992 £	1993 £	1992 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000</u>	<u>1,000,000</u>	<u>550</u>

On 1 July 1993 the authorised share capital of the company was increased from £1,000 to £1,000,000 by the creation of 999,000 new shares of £1 each ranking pari passu with the 1,000 existing shares of £1 each.

On the same date 999,450 ordinary shares of £1 each were issued by the capitalisation of existing reserves.

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993
(continued)

- 14 Profit and loss account** £
- | | |
|--|------------------|
| Balance at 1 January 1993 | 2,778,198 |
| Retained profit for the year | 1,525,513 |
| Capitalisation of reserves (see note 13) | <u>(999,450)</u> |
| Balance at 31 December 1993 | <u>3,304,261</u> |
- 15 Transactions involving directors**
- Directors' interest in contracts
- No director has had any beneficial interest in any material contract to which the company was a party.
- 16 Capital commitments**
- Capital expenditure authorised up to 31 December 1993 but not provided in these financial statements amounted to £Nil (1992 £Nil).
- 17 Contingent liabilities**
- The company has given a joint and several guarantee in respect of the parent undertaking's indebtedness to the Royal Bank of Scotland.
- The company has given an unlimited inter-company composite guarantee in respect of the indebtedness of the parent undertaking and a fellow subsidiary undertaking to the Royal Bank of Scotland PLC.
- At 31 December 1993 the company was contractually bound to pay future rentals to finance companies in connection with vehicle leasing agreements arranged for customers. The sums payable are secured by various charges over agreements made between the company and its customers which in the ordinary course of business provide the means by which future rental liabilities can be met.

AUTOLEASE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1993

(continued)

18 Pensions

Pension costs have been assessed in accordance with advice received from the actuary to the schemes on the basis of reviews carried out for the purpose of Statement of Standard Accounting Practice No.24. Pension costs were assessed using the projected unit actuarial costing method based on assumptions including a long term rate of investment return on assets of 9% per annum, a general rate of increase in members' earnings 2% less than this figure, pension increases in accordance with the scheme rules and appropriate allowances for mortality, members leaving service and early retirements.

Actuarial valuations of all schemes are carried out triennially and full details of the valuation at 31 March 1992 appear in the published financial statements of the parent undertaking.

19 Ultimate parent undertaking

The company is a direct subsidiary of B.S.G. International plc, a company incorporated in England.

The parent undertaking is a publicly quoted company and as such copies of its published accounts are available from Burgess House, 1270 Coventry Road, Birmingham B25 8BB.