

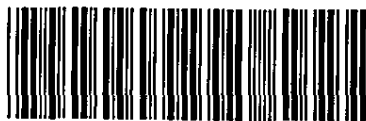
Company Registration No. 1154019

Microlease Plc

Report and Financial Statements

Year ended 29 February 2008

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Microlease Plc

Report and financial statements Year ended 29 February 2008

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Microlease Plc

Report and financial statements Year ended 29 February 2008

Officers and professional advisers

Directors

N P Brown
W P Colley
P J McCloskey
P A Smith

Secretary

P A Smith

Registered office

Forbes House
Whitefriars Estate
Tudor Road
Harrow
Middlesex
HA3 5SS

Bankers

The Royal Bank of Scotland plc
152 Silbury Boulevard
Milton Keynes
MK9 1LT

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Registered Auditors
1 Embankment Place
London WC2N 6RH

Microlease Plc

Directors' report for the year ended 29 February 2008

The Directors present their annual report and the audited consolidated financial statements for the year ended 29 February 2008

Principal activities

The principal activity of the Group is the rental and sale of electronic test and measurement equipment

Review of the business and future prospects

The Group has had another year of profitable growth through the development of new revenue streams to supplement the existing business. The Directors consider it is well placed to exploit market developments in the coming years.

The Directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Test Equipment Asset Management Limited. The Directors have received confirmation that Test Equipment Asset Management Limited intends to support the company by not calling in the intercompany loan for at least one year after these financial statements are signed.

Results and dividends

The results of the Group for the year are set out in detail on page 6. The profit after tax for the year was £2,849,000 (2007 - £2,744,000). The Directors do not propose a final dividend (2007 - £ nil).

Principal Risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the group, which include those of the company, are discussed in the Directors' Report of the consolidated financial statements of Test Equipment Asset Management Limited which does not form part of this report.

Key Performance indicators (KPIs)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company.

Microlease Plc

Directors' report for the year ended 29 February 2008

Directors

The Directors who have served throughout the year, and up to the date of signing the financial statements are as follows

N P Brown
W P Colley
P J McCloskey
P A Smith

Financial Risk Management

The group's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

The company seeks to minimise the risk of uncertain funding in its operations by borrowing within a spread of maturity periods. At the year end, 41 per cent (2006: 36 per cent) of debt was repayable within one year. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances, all of which earn interest. The company does not have a specific policy for interest rate hedging but the directors review the appropriateness of this stance and will look to formalise a policy should the company's operations change in size or nature.

Creditor payment policy

It is the Group's policy to pay all creditors by the due date taking prompt payment discounts where offered. Trade creditors at 29 February 2008 represented 40 days of annual purchases (2007: 41 days).

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

Microlease Plc

Directors' report for the year ended 29 February 2008

(2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary

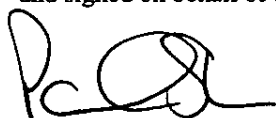
The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to commence in office as auditors and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

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



P A Smith
Secretary

12th August 2008

Independent auditors' report to the members of Microlease plc

We have audited the group and parent company financial statements of Microlease plc for the year ended 29 February 2008 which comprises the Group Profit and Loss Account, the Group and Company Balance Sheets, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 29 February 2008 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

19 August 2008

Microlease Plc

Consolidated profit and loss account For the year ended 29 February 2008

	Notes	2008 £'000	2007 £'000
Turnover	1, 2	20,041	18,935
Cost of sales		(10,524)	(9,237)
Gross profit		9,517	9,698
Administrative expenses		(5,321)	(5,668)
Operating profit	3	4,196	4,030
Interest receivable and similar income	6	13	12
Interest payable and similar charges	7	(1,360)	(1,298)
Profit on ordinary activities before taxation		2,849	2,744
Tax on profit on ordinary activities	8,16	750	-
Profit for the financial year	19	3,599	2,744

All amounts derive from continuing operations

A reconciliation of movements in consolidated equity shareholders' deficit is shown in note 19 to the financial statements

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

There were no recognised gains or losses for the current financial year and preceding financial year except the profit for the financial year. Accordingly no statement of total recognised gains and losses has been prepared

Microlease Plc

Consolidated balance sheet At 29 February 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	15,222	12,589
Current assets			
Stocks	11	154	138
Debtors	12	7,629	5,472
Cash at bank and in hand		183	1,522
		<u>7,966</u>	<u>7,132</u>
Creditors: amounts falling due within one year	13	<u>(13,831)</u>	<u>(12,329)</u>
Net current liabilities		<u>(5,865)</u>	<u>(5,197)</u>
Total assets less current liabilities		9,357	7,392
Creditors: amounts falling due after more than one year	14	<u>(9,661)</u>	<u>(11,295)</u>
Net liabilities		<u>(304)</u>	<u>(3,903)</u>
Capital and reserves			
Called up share capital	17	340	340
Share premium account	18	250	250
Other reserve	18	-	-
Profit and loss account	18	(894)	(4,493)
Total shareholders' deficit	19	<u>(304)</u>	<u>(3,903)</u>

These financial statements were approved by the Board of Directors on 12th August 2008

Signed on behalf of the Board of Directors



NP Brown
Director



P Smith
Director

Microlease Plc

Company balance sheet At 29 February 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	15,222	12,589
Investments	10	1	1
		<u>15,223</u>	<u>12,590</u>
Current assets			
Stocks	11	154	138
Debtors	12	7,879	6,285
		<u>8,033</u>	<u>6,423</u>
Creditors: amounts falling due within one year	13	<u>(14,896)</u>	<u>(12,600)</u>
Net current liabilities		<u>(6,863)</u>	<u>(6,177)</u>
Total assets less current liabilities		<u>8,360</u>	<u>6,413</u>
Creditors: amounts falling due after more than one year	14	<u>(9,661)</u>	<u>(11,295)</u>
Net liabilities		<u>(1,301)</u>	<u>(4,882)</u>
Capital and reserves			
Called up share capital	17	340	340
Share premium account	18	250	250
Other reserve	18	-	-
Profit and loss account	18	(1,891)	(5,472)
Total Equity shareholders' deficit		<u>(1,301)</u>	<u>(4,882)</u>

These financial statements were approved by the Board of Directors on 12th August 2008

Signed on behalf of the Board of Directors



NP Brown
Director



P Smith
Director

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

1. Accounting policies

Basis of Accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The Directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Test Equipment Asset Management Limited. The Directors have received confirmation that Test Equipment Asset Management Limited intend to support the company for at least one year after these financial statements are signed.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 29 February 2008. Intra-group sales and profits are eliminated fully on consolidation.

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

The financial statements of foreign subsidiaries are translated into sterling at the closing rates of exchange and the differences arising from the translation of the opening net investment in subsidiaries at the closing rate and matched long-term foreign currency borrowings are taken to the statement of total recognised gains and losses.

Turnover

Turnover is the amount derived from the rental and sale of electronic test and measurement equipment after deduction of trade discounts, prompt settlement discounts and value added tax. The group recognises turnover on a pro rata basis over the life of the rental contract.

Deferred revenue

Deferred revenue is recognised in the account of the group where services have been performed but remain unbilled at the end of the period.

Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

1. Accounting policies (continued)

Depreciation

Depreciation is calculated to write off the cost of fixed assets by equal monthly instalments over their estimated useful economic lives at the following rates

Hire equipment	15% - 100% per annum
Office equipment fittings	15% - 33% per annum
Leasehold premises	over the primary periods of the leases which expire in 2015

Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value

Leased assets

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases

Hire purchase assets

Equipment acquired under hire purchase agreements is capitalised at its fair value on the inception of the lease and depreciated over its expected useful life. Hire purchase interest is allocated over the period of the lease in proportion to the capital amount outstanding and charged to the profit and loss account

Cash flow statement

The Company is exempt from producing a cash flow statement as it is included in the publicly available consolidated accounts of Test Equipment Asset Management Ltd, a company incorporated in the Great Britain, which prepares a cash flow statement

Stocks

Stocks are valued at the lower of cost, being purchase price, and net realisable value

Pension scheme

The Company operates a defined contribution pension scheme. The amounts charged in the year represent contributions payable in the year

2. Turnover

Turnover and operating profit relate principally to the rental and sale of electronic test and measurement equipment

All turnover originates in the United Kingdom. The turnover of the Group derived from operations outside the United Kingdom is £9,743,420 (2007: £9,510,250). The only significant geographical markets outside the United Kingdom are other European countries and the USA.

The Directors have chosen not to disclose the separate results for the overseas operations as they feel this is prejudicial to the Group's operations.

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

3. Operating profit

	2008 £'000	2007 £'000
Operating profit is arrived at after charging/(crediting)		
Depreciation		
– own assets	1,237	601
– own assets held under finance leases and hire purchase contracts	3,167	3,546
Profit on disposal of fixed assets	(881)	(602)
Auditors' remuneration		
- Audit fee	38	36
- Non-audit fees	5	4
Foreign exchange losses / (profit)	(309)	125
Operating lease rentals		
- Other	142	127

The above audit fee includes a fee payable in respect of the audit of the Company of £32,000 (2007 - £30,000)

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

4 Employees

	2008 No	2007 No.
The average number employed by the Company, and Group,, including Directors, within each category of persons was		
Laboratory staff	27	28
Administration and sales staff	86	83
	<u>113</u>	<u>111</u>
	2008 £'000	2007 £'000
Wages and salaries	4,086	3,987
Social security costs	480	479
Other pension costs	150	136
	<u>4,716</u>	<u>4,602</u>

The Group 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 pension cost charge represents contributions payable by the Company to the fund and amounted to £150,109 (2007: £135,861).

5. Directors' emoluments

	2008 £'000	2007 £'000
Total emoluments in aggregate excluding pension contributions	0	84
Pension contributions	<u>0</u>	<u>2</u>
Total	<u>0</u>	<u>86</u>
Highest paid Director		
- total emoluments excluding pension contributions	0	82
- pension contributions	<u>0</u>	<u>2</u>
	<u>0</u>	<u>84</u>

The emoluments of the Directors who are also Directors of the holding company are shown in the financial statements of that company. It is not possible to split their remuneration for services rendered exclusively to this Company.

No Director is a member of the Company defined contribution pension scheme (2007: one) - - - - -

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

6. Interest receivable and similar income

	2008 £'000	2007 £'000
Bank deposit interest	13	12

7. Interest payable and similar charges

	2008 £'000	2007 £'000
Bank loans and overdraft	174	181
Hire purchase	1,186	1,117
	<u>1,360</u>	<u>1,298</u>

8. Tax on profit on ordinary activities

	£'000	2008 £'000	£'000	2007 £'000
UK Corporation tax at a rate of 30% (2007 30%)		-		-
Adjustment in respect of prior periods				-
Timing differences, origination and reversal	750		-	
Increase in discount	-		-	
	<u></u>		<u></u>	
Total deferred tax		750		-
		<u></u>		<u></u>
Tax credit/(charge) on profit on ordinary activities		750		-
		<u></u>		<u></u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2007 – 30%)
The current tax charge for the year is less than 30% (2007 was less than 30%) for the reasons set out in the following reconciliation

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	2,849	2,744
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2007 30%)	855	823
Factors affecting charge:		
Disallowed expenses	(9)	(9)
Group relief not paid for	342	(1,825)
Loss brought forward utilised	89	
Capital allowances for the year in excess of depreciation and other timing differences	433	1,011
	<u></u>	<u></u>
Current tax for the year	-	-
	<u></u>	<u></u>

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

9. Tangible fixed assets

Group and Company	Hire equipment £'000	Office equipment fittings £'000	Short leasehold premises £'000	Total £'000
Cost				
At 1 March 2007	50,312	1,054	495	51,861
Additions	7,511	151	-	7,662
Disposals	(7,698)	-	-	(7,698)
At 29 February 2008	50,125	1,205	495	51,825
Accumulated depreciation				
At 1 March 2007	37,776	1,001	495	39,272
Charge for the year	4,362	42	-	4,404
Disposals	(7,073)	-	-	(7,073)
At 29 February 2008	35,065	1,043	495	36,603
Net book value				
At 29 February 2008	15,060	162	-	15,222
At 28 February 2007	12,536	53	-	12,589

The net book value of hire equipment assets held under finance agreements is £10,789,807 (2007 - £10,951,587) These incurred a depreciation charge of £3,167,456 (2007 - £3,546,011)

10. Investments

Company	Subsidiaries £'000
Cost & NBV at 1 March 2007 and 29 February 2008	1

The directors believe that the carrying value of investments is not less than the value of the underlying assets
The company has the following subsidiaries

Subsidiaries	Country of registration and principal country of operation	Activity
Microlease Finance Limited	England and Wales	The purchase and resale of electronic test and measurement equipment
Microlease Europe Limited	England and Wales	The operation of a sales representative office
Microlease Inc	United States of America	The rental of electronic test and measurement equipment

All companies were 100% owned during the current and preceding year

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

11. Stocks

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Consumables and other stocks	154	154	138	138

12. Debtors

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Trade debtors	4,595	4,595	3,547	3,547
Amounts owed by group undertaking	0	0	-	813
Corporation tax	64	64	55	55
Deferred tax asset (note 16)	2,592	2,592	1,842	1,842
Other taxation and social security	80	330	-	-
Prepayments and other debtors	298	298	28	28
	7,629	7,879	5,472	6,285

Amounts owed by group undertakings are repayable on demand and bear no interest

13 Creditors: amounts falling due within one year

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Bank loans and overdrafts	180	488	180	1,729
Obligations under finance leases and hire purchase contracts (note 15)	6,331	6,331	6,019	6,019
Shareholder Loans	144	144	144	144
Trade creditors	3,295	1,369	1,887	672
Amounts owed to group undertaking	2,009	4,692	2,008	2,002
Other taxation and social security	-	-	57	-
Other Creditors	1,026	1,026	1,070	1,070
Accruals and deferred income	846	846	964	964
	13,831	14,896	12,329	12,600

Other creditors represent the balance outstanding on a secured loan on the trade debtors of Microlease Plc

The Shareholder Loans are secured by a floating charge over certain hire equipment assets of the Company

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

14. Creditors: amounts falling due after more than one year

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Bank loans	6	6	186	186
Shareholder Loans	396	396	540	540
Obligations under finance leases and hire purchase contracts (note 15)	9,259	9,259	10,569	10,569
	<u>9,661</u>	<u>9,661</u>	<u>11,295</u>	<u>11,295</u>

The Shareholder Loans are secured by a floating charge over certain hire equipment assets of the Company

Maturity of debts

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
In one year or less, or on demand	6,655	6,963	6,343	7,892
In more than one year but not more than two years	5,807	5,807	5,184	5,184
In more than two years but not more than five years	3,854	3,854	6,111	6,111
In more than five years	-	-	-	-
	<u>16,316</u>	<u>16,624</u>	<u>17,638</u>	<u>19,187</u>

15. Hire purchase creditors

Group and Company	2008 £'000	2007 £'000
Between one and two years	5,657	4,860
Between two and five years	3,602	5,709
Amounts falling due after more than one year	9,259	10,569
Amounts falling due within one year	6,331	6,019
Total outstanding	<u>15,590</u>	<u>16,588</u>

Of the above hire purchase creditor outstanding, £4,272,486 (2007 - £6,565,337) is secured by a fixed and floating charge on the assets of the Company

The remaining £11,318,361 (2007 - £10,402,360) is secured against the assets of the specific funding agreements

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

16. Deferred taxation

	Deferred taxation £'000	
Deferred tax asset as at 1 March 2006	(1,842)	
Current year credit	750	
	<hr/>	
Deferred tax asset as at 28 February 20068	(2,592)	
	<hr/>	
	Provided	
	2008	2007
	£'000	£'000
The balance of the deferred tax asset consists of the following		
Depreciation in excess of capital allowances	(2,592)	(1,842)
Tax losses		
Discount on timing differences		
	<hr/>	<hr/>
Total deferred tax asset	(2,592)	(1,842)
	<hr/>	<hr/>

A deferred tax asset has not been recognised in respect of timing differences of £Nil (2007 £1 1m) This relates to trading losses carried forward and depreciation in excess of capital allowances that may not be utilised in the foreseeable future

17. Called up share capital

	2008	2007
	£'000	£'000
Group and company:		
Authorised:		
5,000,000 ordinary shares of 10p each (2007 5,000,000)	500	500
	<hr/>	<hr/>
Called up, allotted and fully paid:		
3,400,000 ordinary shares of 10p each, fully paid (2007 3,400,000)	340	340
	<hr/>	<hr/>

Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

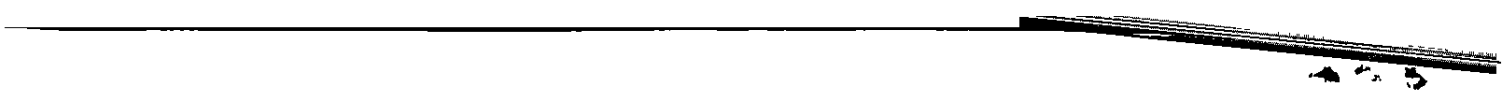
18. Movement on reserves

	Share premium account £'000	Other reserve £'000	Profit and loss account £'000	Total £'000
Group				
Balance at 1 March 2007	250	-	(4,493)	(4,243)
Retained profit for the year	-	-	3,599	3,599
Balance at 29 February 2008	250	-	(894)	(644)
Company				
Balance at 1 March 2007	250	-	(5,472)	(5,222)
Retained profit for the year	-	-	3,581	3,581
Balance at 29 February 2008	250	-	(1,891)	(1,641)

19. Reconciliation of movements in consolidated shareholders' deficit

	2008 £'000	2007 £'000
(Redemption)/Grant of warrants in the year	(0)	(300)
Profit for the financial year	3,599	2,744
Net addition to equity shareholders' funds	3,599	2,444
Opening shareholders' deficit	(3,903)	(6,347)
Closing shareholders' deficit	(304)	(3,903)

The Company has taken advantage of Section 230 of the Companies Act 1985 and consequently a profit and loss for the Company alone is not presented. The profit for the financial year of the Company was £3,581,000 (2007 profit of £2,712,000).



Microlease Plc

Notes to the financial statements For the year ended 29 February 2008

20 Financial commitments

Operating leases

At 29 February 2008, the Group and Company had annual commitments under non-cancellable operating leases as set out below

	2008		2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	0	31	20	16
In the second to fifth year	0	63	-	94
Greater than five years	188	0	197	-
	<u>188</u>	<u>94</u>	<u>217</u>	<u>110</u>

21. Capital commitments

The group had purchase commitments of £1,424,367 at the year end (2007 £513,758) which are not provided for in the financial statements

22. Related party transactions

The following are transactions with directors who served during the year

Company	Beneficiary	Payments made		Outstanding liabilities	
		2008 £	2007 £	2008 £	2007 £
Fryer McDonald Ltd	Nigel Brown	-	72,038	-	-
Richardson Carpenter Assoc Ltd	Nigel Brown	66,742	39,587	2,438	-

The Company has taken advantage of the exemptions available under FRS 8 - Related Party Transactions, not to disclose transactions with other Group companies

23. Ultimate parent company

The immediate parent company is Newmair Limited while the ultimate parent company and the parent of the largest group for which group accounts are prepared of which the Company is a member and the controlling party is Test Equipment Asset Management Limited, a Company incorporated in Great Britain. Copies of the consolidated financial statements are available from The Registrar of Companies, Crown Way, Maundy, Cardiff CF14 3UZ

