

Eurolease (UK) Limited

Director's report and financial statements

31 December 1998

Registered number 328777

REVISED ACCOUNTS



Eurolease (UK) Limited

Director's report and financial statements

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Eurolease (UK) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1998

Principal activity

The principal activity of the company is the leasing of machinery and equipment.

Business review

No new business was undertaken during the year.

The (loss) / profit on ordinary activities before taxation was 1998: £19,826 (1997: £(11,654)). This arose from income receivable on leasing business entered into in previous years, together with income received on deposited surplus funds and exchange translation gains on these funds.

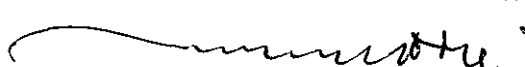
Directors and directors' interests

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

Mr FJJR de Cort
Mr RFE Richardson

None of the directors who held office at the end of the financial year had any disclosable interest in the shares and debentures of Group companies.

By order of the board



FJJR de Cort
Secretary

165 Queen Victoria Street
London
EC4V 4DD

Eurolease (UK) Limited

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 keeping 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 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 ON REVISED FINANCIAL STATEMENTS:
REVISION BY REPLACEMENT**

TO THE SHAREHOLDERS OF EUROLEASE (UK) LIMITED

We have audited the revised financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6. The revised financial statements replace the original financial statements approved by the directors on 25 January 2000.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. Under section 245 of the Companies Act 1985 the directors have the authority to revise financial statements if they do not comply with the Act. The revised financial statements must be amended in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 1990 and in accordance therewith do not take account of events which have taken place after the date on which the original financial statements were approved. The regulations require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements.

It is our responsibility to form an independent opinion, based on our audit, on those revised statements and to report our opinion to you. We are also required to report whether in our opinion the original statements failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors.

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. The audit of revised financial statements includes the performance of additional procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

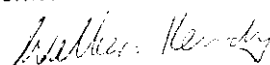
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the revised financial statements.

Opinion

In our opinion the revised financial statements give a true and fair view, seen as at the date the original financial statements were approved, of the state of affairs of the Company at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 1990.

In our opinion the original financial statements for the year ended 31 December 1998 failed to comply with the requirements of the Companies Act 1985 in the respect identified by the directors in the statement contained in note 1 to these financial statements.

Bridge House
London Bridge
LONDON SE1 9QR


Chartered Accountants
and Registered Auditor

9 May 2000

Eurolease (UK) Limited

Profit and loss account

for the year ended 31 December 1998

	Note	1998 £	1997 £
Turnover	2	9,465	9,465
Cost of Sales		(898)	(898)
Gross Profit		<u>8,567</u>	<u>8,567</u>
Administrative expenses		(3,639)	(6,177)
Exchange gain/loss on foreign currency deposit		9,445	(17,508)
Interest receivable from group undertaking		<u>5,453</u>	<u>3,464</u>
(Loss)/Profit on ordinary activities before taxation	3	<u>19,826</u>	<u>(11,654)</u>
Tax on (loss)/profit on ordinary activities	5	(4,812)	3,728
(Loss)/Profit for the year		<u>15,014</u>	<u>(7,926)</u>
Retained profit brought forward		43,836	51,762
Retained profit carried forward		<u>58,850</u>	<u>43,836</u>

There is no difference between the reported (loss)/profit and the historical cost (loss)/profit for the current and the previous year.

Statement of total recognised gains and losses

for the year ended 31 December 1998

The company had no recognised gains and losses for the current and prior years other than those shown above.

Eurolease (UK) Limited

Balance sheet at 31 December 1998

	Note	1998 £	1998 £	1997 £	1997 £
Current assets					
Debtors	7	2,420		1,867	
Taxation		3,728		11,208	
Bank balance with parent undertaking		182,235		156,029	
Bank balance with non-group undertaking		-		-	
			188,383		169,104
Creditors : amounts falling due within one year	8		(18,422)		(14,157)
Net Assets			169,961		154,947
Capital and reserves					
Called up share capital	9		111,111		111,111
Profit and loss account			58,850		43,836
Equity shareholders' funds			169,961		154,947

These financial statements were approved by the board of directors on 25th January 2000 and were signed on its behalf by:


FJJR de Cort
Director

Eurolease (UK) Limited

Notes

(forming part of the financial statements)

1 Accounting policies

Under section 245 of the Companies Act 1985 the directors have the authority to revise financial statements that do not comply with the Act. These revised financial statements replace the original financial statements for the year ended 31 December 1998 and now represent the statutory financial statements for the company for that financial year. The revised financial statements as amended in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 1990 do not take account of events which have taken place after the date on which the original financial statements were approved. The balance sheet of the original accounts was out of balance by £1,389 due to an accounting error. This error has now been corrected. The audit report also needs amending and an amended version is now attached.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Foreign currencies

Assets and liabilities in foreign currencies are expressed in sterling at exchange rates ruling at the balance sheet date. All exchange differences are reflected in the profit and loss account.

Assets leased to customers

Income from operating leases is credited to the profit and loss account on a straight line basis over the period of the leases.

Deferred taxation

Deferred taxation is calculated on the liability method on timing differences where a liability may be expected to arise within the foreseeable future.

Cashflow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking, and a consolidated cash flow statement is prepared by the ultimate parent company.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

2 Turnover

Turnover represents income receivable on leasing business entered into in previous years.

Eurolease (UK) Limited

Notes (continued)

3 (Loss)/Profit on ordinary activities before taxation

	1998 £	1997 £
<i>(Loss)/Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration	550	1500
Fees paid to auditors for non-audit work	-	466
Hire of equipment	898	898

4 Directors' emoluments

None of the directors received any emoluments during the year ended 31 December 1998 (1997: Nil)

5 Taxation

	1998 £	1997 £
UK corporation tax (recovery) charge at 33%	-	963
UK corporation tax (recovery) charge at 31%	(4,812)	2,765
	<u>(4,812)</u>	<u>3,728</u>

6 Tangible fixed assets

Assets on or available for lease

	1998 £	1997 £
<i>Cost</i>		
At beginning and end of the year	<u>863,637</u>	<u>863,637</u>
<i>Depreciation</i>		
At beginning and end of the year	<u>863,637</u>	<u>863,637</u>
<i>Net book value</i>		
At 31 December 1997 & 1998	<u>Nil</u>	<u>Nil</u>

Eurolease (UK) Limited

Notes (continued)

7 Debtors

	1998 £	1997 £
Trade debtors	742	742
Prepayments and accrued income	1,678	1,125
	<u>2,420</u>	<u>1,867</u>

All debtors are recoverable within one year.

8 Creditors: amounts falling due within one year

	1998 £	1997 £
Other creditors including taxation and social security	9,507	4,084
Bank overdraft with non-group undertaking	-	6
Accruals and deferred income	8,915	10,068
	<u>18,422</u>	<u>14,158</u>

9 Called up share capital

	1998 £	1997 £
<i>Authorised</i>		
139,000 Ordinary shares of £1 each	139,000	139,000
111,000 Deferred shares if £1 each	111,000	111,000
	<u>250,000</u>	<u>250,000</u>
<i>Allotted, called up and fully paid</i>		
111 Ordinary shares of £1 each	111	111
111,000 Deferred shares of £1 each	111,000	111,000
	<u>111,111</u>	<u>111,111</u>

The deferred shareholders have no entitlement to dividends and no voting rights at any General Meeting of the company. On a winding-up the deferred shareholders will receive the amount paid up on the shares provided sufficient assets are available after the ordinary shareholders have received the amount paid up on their shares and £100,000 per share.

Eurolease (UK) Limited

Notes *(continued)*

10 Reconciliation of movements in shareholder's funds

	1998 £	1997 £
(Loss)/Profit for the financial year	15,014	(7,926)
Opening shareholders' funds	154,947	162,873
Closing shareholders' funds	<u>169,961</u>	<u>154,947</u>

11 Immediate parent undertaking and ultimate holding company

The company is a subsidiary undertaking of Generale Bank SA incorporated in Belgium.

The company's immediate parent undertaking is Eurolease SA and its ultimate parent company in Generale Bank SA. The results of Eurolease (UK) Limited are consolidated in the group financial statements of Generale Bank SA. This is the only group of undertakings which includes the results of Eurolease (UK) Limited in its consolidated financial statements. Both Eurolease SA and Generale Bank SA are incorporated in Belgium.

The company has taken advantage of the exemption not to disclose transactions with entities that are part of the group by virtue of its status as a subsidiary of a parent whose financial statements are consolidated and are made publicly available.

The registered office of Generale Bank SA from where copies of the accounts can be obtained is:

Generale Bank SA
Montagne du Parc, 3
1000 Brussels
Belgium