

**MNA LEASING LIMITED**  
(formerly Midland Newspaper Group Limited)

**ANNUAL REPORT AND ACCOUNTS**

FOR THE YEAR ENDED  
27TH DECEMBER 1997

Registered number : 2424659



# **MNA LEASING LIMITED**

## **ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 27TH DECEMBER 1997**

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**MNA LEASING LIMITED**  
**DIRECTORS' REPORT**

The Directors present their report and the accounts for the year ended 27th December 1997.

**ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company has been that of vehicle leasing. The trading results for the year are reflected in the profit and loss account as shown on page 6. No future changes in the principal activity are envisaged.

**RESULTS AND DIVIDEND**

The profit for the year after taxation amounted to £2,183. The directors do not propose the payment of a dividend.

**FIXED ASSETS**

During the year the company spent £896,819 on fixed assets.  
Details of the company's fixed assets are given in note 4 in the accounts.

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts 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 these accounts, the directors confirm that they have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards;
- prepared the Accounts on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**BOARD OF DIRECTORS**

The members of the Board who held office during the year are:-

M G D Graham  
G W Evers  
J D Allatt  
A M Witts  
A C Millard

## DIRECTORS' INTERESTS

Messrs M G Douglas Graham, G W Evers and J D Allatt and A M Witts are directors of the parent company, The Midland News Association Limited, and their interests are shown in the Directors' Report of that company.

The other directors interests in the share of the parent company were as follows:

### The Midland News Association Limited

	Number of 'A' Ordinary Shares of 5p each	
	27.12.97	28.12.96
A C Millard	13,500	7,500

## AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors of the company and their re-appointment will be put to members at the Annual General Meeting.

## BY ORDER OF THE BOARD



A C Millard  
SECRETARY

Registered Office:  
Queen Street  
Wolverhampton

Date 18th March 1998

## **REPORT OF THE AUDITORS** to the members of MNA Leasing Limited

We have audited the accounts on pages 6 to 11 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 page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an opinion, based on our audit, on those accounts and to report our opinion to you.

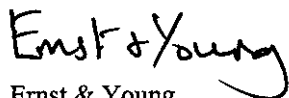
### **Basis of opinion**

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 27 December 1997 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Birmingham

18 March 1998

**MNA LEASING LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 27th December 1997**

	Notes	1997	1996
		£	£
<b>Turnover</b>	1	455,409	219,723
Net operating expenses	2	<u>453,805</u>	<u>249,205</u>
<b>Profit/(Loss) on Ordinary Activities before Taxation</b>	1	1,604	(29,482)
Taxation	3	<u>(579)</u>	<u>(9,777)</u>
<b>Profit/(Loss) for the year</b>		<u>2,183</u>	<u>(19,705)</u>

All the activities of the company are continuing.

The company has no recognised gains or losses other than those included in the profits above, and therefore no separate statement of recognised gains and losses has been presented.

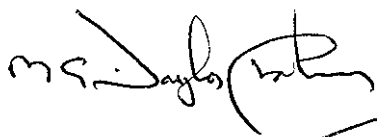

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

**MNA LEASING LIMITED**

**BALANCE SHEET AT 27th December 1997**

	Notes	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	4	1,584,062	1,037,410
<b>Current assets</b>			
Debtors	5	185,103	112,300
<b>Creditors: amounts falling due within one year</b>	6	<u>1,729,193</u>	<u>1,142,144</u>
<b>Net current liabilities</b>		<u>(1,548,537)</u>	<u>(1,029,844)</u>
<b>Total assets less current liabilities</b>		35,525	7,566
<b>Provisions for liabilities and charges</b>			
Deferred taxation	7	<u>66,213</u>	<u>40,437</u>
<b>Net liabilities</b>		<u>(30,688)</u>	<u>(32,871)</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	<u>(30,690)</u>	<u>(32,873)</u>
<b>Shareholders' funds (all equity interests)</b>	10	<u>(30,688)</u>	<u>(32,871)</u>

The Accounts on pages 6 to 11 were approved by the Board of Directors on 18th March 1998 and the following was authorised to sign the accounts on behalf of the Board.

M G D Graham  
Chairman

## MNA LEASING LIMITED

### **ACCOUNTING POLICIES**

**a) Fundamental accounting concept**

The company is party to group banking facilities. These facilities are made available to the company, if and when required, to enable to company to continue operating and to meet its liabilities as they fall due. The directors believe that it is therefore appropriate to prepare the accounts on a going concern basis.

**b) Basis of accounting**

The company prepares its Accounts on the historical cost basis of accounting and in accordance with the applicable accounting standards in the United Kingdom. They incorporate the results for the 52 weeks ended 27th December 1997 (1996: 52 weeks ended 28<sup>th</sup> December 1996).

A summary of the more important accounting policies, which have been applied consistently, is set out below.

**c) Turnover**

Turnover represents the amount receivable (excluding VAT) in respect of the year for goods and services supplied.

**d) Depreciation**

The depreciation charge is calculated on cost at annual rates estimated to write off the tangible assets over their working lives as follows:

Plant and Machinery 20% per annum

**e) Deferred Taxation**

Provision is made on the liability method for deferred taxation in respect of timing differences unless it is considered unlikely that any material liability will arise in the foreseeable future.



# MNA LEASING LIMITED

## NOTES TO THE ACCOUNTS 27th December 1997

### 1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and profit on ordinary activities before taxation derive from vehicle leasing carried out wholly within the United Kingdom.

### 2. NET OPERATING EXPENSES

	Note	1997 £	1996 £
Depreciation of tangible fixed assets - owned	4	350,165	172,041
Auditors' remuneration - audit services		3,000	1,000
- non-audit services		100	400
Other operating charges		114,055	86,574
Other operating income		<u>(13,517)</u>	<u>(10,810)</u>
		<u>453,805</u>	<u>249,205</u>

### 3. TAXATION

	£	£
Group relief receivable at 33%	(21,000)	(46,000)
Adjustment in respect of previous years	(5,354)	(682)
Deferred taxation current year	21,914	36,905
Adjustment in respect of previous years	<u>3,861</u>	<u>—</u>
	<u>(579)</u>	<u>(9,777)</u>

In the opinion of the Directors the company is a close company as defined by the Income and Corporation Taxes Act 1988.

### 4. TANGIBLE ASSETS

	Plant and Machinery	Total
Cost:	£	£
At 28 <sup>th</sup> December 1996	1,235,239	1,235,239
Additions	896,819	896,819
At 27 <sup>th</sup> December 1997	<u>2,132,058</u>	<u>2,132,058</u>
Depreciation:		
At 28 <sup>th</sup> December 1996	197,829	197,829
Charge for the year (note 2)	350,167	350,167
At 27 <sup>th</sup> December 1997	<u>547,996</u>	<u>547,996</u>
Net Book Values:		
At 27 <sup>th</sup> December 1997	<u>1,584,062</u>	<u>1,584,062</u>
At 28 <sup>th</sup> December 1996	<u>1,037,410</u>	<u>1,037,410</u>

The aggregate amount of capital expenditure authorised and contracted for by the directors at 27<sup>th</sup> December 1997 was £94,327 (1996: £91,828).

# MNA LEASING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 5. DEBTORS

Amounts falling due within one year:

	1997	1996
	£	£
Trade debtors	10,255	4,147
Due from group companies	155,848	44,175
Corporation tax	19,000	46,000
VAT recoverable	-	17,978
	<u>185,103</u>	<u>112,300</u>

### 6. CREDITORS

Amounts falling due within one year:

	£	£
Bank overdraft	4,447	116,957
Trade creditors	141,448	81,349
Due to group companies	1,583,127	942,438
Accruals	2,250	1,400
VAT payable	2,368	-
	<u>1,733,640</u>	<u>1,142,144</u>

### 7. DEFERRED TAXATION

The total potential liability for deferred taxation which is fully provided, is as follows:

	1997	1996
	£	£
Tax effect at 32% (1996: 33%) of timing differences due to:		
Capital Allowances	<u>66,213</u>	<u>40,437</u>

Movement during current year:-

	1997	1996
	£	£
At 28 <sup>th</sup> December 1996	40,437	3,532
Transfer from profit and loss account	<u>25,776</u>	<u>36,905</u>
At 27 <sup>th</sup> December 1997	<u>66,213</u>	<u>40,437</u>

### 8. SHARE CAPITAL

	Authorised £	Allotted called up and fully paid £
(Unchanged during the year)		
Ordinary shares of £1 each at the 27 <sup>th</sup> December 1997 and 28 <sup>th</sup> December 1996	<u>1,000</u>	<u>2</u>

## **MNA LEASING LIMITED**

### **NOTES TO THE ACCOUNTS (Continued)**

#### **9. PROFIT & LOSS ACCOUNT**

	£
At 28 <sup>th</sup> December 1996	(32,873)
Transferred to reserves	<u>2,183</u>
At 27 <sup>th</sup> December 1997	<u>(30,690)</u>

#### **10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1996	1995
	£	£
Profit/(Loss) for the financial year	2,183	(19,705)
Opening shareholders funds	<u>(32,571)</u>	<u>(13,166)</u>
Closing shareholders funds	<u>(30,688)</u>	<u>(32,871)</u>

#### **11. CONTINGENT LIABILITY**

The company is party to group banking arrangements under which subsidiaries of Claverley Company cross guarantee their overdraft facilities.

#### **12. RELATED PARTY DISCLOSURE**

The Company has taken advantage of the exemption in FRS8 as a wholly owned subsidiary not to disclose details of related party transactions required by the standard.

#### **13. ULTIMATE AND IMMEDIATE PARENT COMPANY**

The company is a wholly owned subsidiary of The Midland News Association Limited, a company registered in England & Wales. It has included the Company in its group accounts.

The ultimate holding company is Claverley Company, a company registered in England and Wales.