COMPANIES HOUSE COPY

MNA Leasing Limited

Report and Financial Statements

Period Ended

31 December 2011

Company Number 2424659

MNA Leasing Limited

Report and financial statements
for the period ended 31 December 2011

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Directors

M G Douglas Graham
G W Evers
D J Hughes

Secretary and registered office

D J Hughes, 51-53 Queen Street, Wolverhampton, WV1 1ES

Company number

2424659

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

MNA Leasing Limited

Report of the directors
for the period ended 31 December 2011

The directors present their report together with the audited financial statements for the period ended 31 December 2011

Results

The profit and loss account is set out on page 5 and shows the profit for the period

The directors do not propose to pay a dividend in respect of 2011 (2010 - £Nil)

Principal activities

The company's principal activity is the leasing of vehicles The Claverley Group has decided to lease its vehicles from a third party resulting in a decline in turnover for the current and future years

Financial instruments

The company is financed by a combination of loans from group companies and the group's bankers

As highlighted in note 14 to the financial statements, the company is party to the Claverley Group banking facilities These facilities are made available to the company to meet its day to day working capital requirements As at the year end the Claverely group utilised an overdraft facility which was due for renewal in December 2011 (facility was temporarily extended during the refinancing noted below) and a revolving credit facility and term loan facility due for repayment in December 2014

Following the year end the Claverley group entered into negotiations with Lloyds TSB to refinance the group's facilities due to a covenant breach As part of this refinancing it sold its investment in the The Guiton Group (based in the Channel Islands) to Claverley Holdings Ltd with this group taking on separate financing with HSBC The UK based group companies agreed new facilities with Lloyds TSB on 3rd July 2012 which include an overdraft facility of £4m due for renewal on 2 July 2013 and a new five year term loan for £8m The new Lloyds TSB facilities are secured by a fixed and floating charge over the assets of the UK group companies The company is party to these new facilities

The directors of the company have prepared cashflow and profit and loss forecasts for the 3 year period to 31 December 2014 which show that the directors have a reasonable expectation that the company will be able to meet its liabilities as they fall due for at least the 12 months from the date of approval of these financial statements

After making enquiries and considering uncertainties described above, the directors have a reasonable expectation that they can continue in operational existence for the foreseeable future Accordingly the directors continue to adopt the going concern basis in preparing the financial statements

Directors

The directors of the company during the period were

M G Douglas Graham (Chairman)
G W Evers
D J Hughes

Directors' responsibilities

The directors are responsible for preparing the directors' 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information The directors are not aware of any relevant audit information of which the auditors are unaware

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting

In preparing this directors' report advantage has been taken of the small companies' exemption

On behalf of the board

G W Evers

Director

3 July 2012

MNA Leasing Limited

Independent auditor's report

To the members of MNA Leasing Limited

We have audited the financial statements of MNA Leasing Limited for the 52 weeks ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

- the financial statements are not in agreement with the accounting records and returns, or

- certain disclosures of directors' remuneration specified by law are not made, or

- we have not received all the information and explanations we require for our audit, or

- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

BDO LLP

Mark Anslow (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

3 July 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

MNA Leasing Limited

Profit and loss account
for the period ended 31 December 2011

	Note	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Turnover	2	**77,250**	158,411
Net operating expenses		**11,990**	186,886
Operating profit/(loss)		**65,260**	(28,475)
Profit on disposal of fixed assets		**57,140**	155,442
Profit on ordinary activities before taxation		**122,400**	126,967
Taxation on profit on ordinary activities	7	**40,539**	332,107
Profit/(loss) on ordinary activities after taxation		**81,861**	(205,140)

All amounts relate to continuing activities
All recognised gains and losses in the current and prior period are included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements

MNA Leasing Limited

Balance sheet
at 31 December 2011

Company number 2424659	Note	31 December 2011 £	31 December 2011 £	1 January 2011 £	1 January 2011 £
Fixed assets					
Tangible assets	8		-		9,054
Current assets					
Debtors	9	712,059		703,945	
Cash at bank and in hand		71,055		5,853	
		783,114		709,798	
Creditors: amounts falling due within one year	10	27,283		44,882	
Net current assets			755,831		664,916
Total assets less current liabilities			755,831		673,970
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		755,829		673,968
Shareholders' funds	13		755,831		673,970

The financial statements were approved by the board of directors and authorised for issue on 3 July 2012

G W Evers
Director

The notes on pages 7 to 13 form part of these financial statements

MNA Leasing Limited

Notes forming part of the financial statements
for the period ended 31 December 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards They incorporate the results for the 52 weeks ended 31 December 2011 (2010 - 52 weeks ended 1 January 2011)

The following principal accounting policies have been applied

Fundamental accounting concept

The directors of the company have prepared cashflow and profit and loss forecasts for the 3 year period to 31 December 2014 which show that the directors have a reasonable expectation that the group will be able to meet its liabilities as they fall due for at least the 12 months from the date of approval of these financial statements

As part of this review the UK based Claverley group companies agreed new banking facilities to meet the working capital requirements as set out in the forecasts The new facilities include a UK based overdraft facility with Lloyds TSB of £4m which is due for renewal on 2 July 2013 and a five year term loan for £8m with Lloyds with a separate facility of a £10m term loan being agreed with HSBC for The Guiton Group of companies (based in the Channel Islands) since the year end

After making enquiries and considering uncertainties, the directors have a reasonable expectation that they can continue in operational existence for the foreseeable future Accordingly the directors continue to adopt the going concern basis in preparing the financial statements

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by The Midand News Association Limited and the company is included in consolidated financial statements

Turnover

Turnover represents the amount receivable, excluding VAT, in respect of the period for vehicle leasing

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives It is calculated at the following rates

Motor vehicles	- 20% per annum

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

1 Accounting policies *(continued)*

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright The amount capitalised is the present value of the minimum lease payments payable over the term of the lease The corresponding leasing commitments are shown as amounts payable to the lessor Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding The capital part reduces the amounts payable to the lessor

All other leases are treated as operating leases Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Net operating expenses

	52 weeks ended 31 December 2011	52 weeks ended 1 January 2011
Depreciation of owned tangible fixed assets	9,054	155,632
Other operating expenses	2,936	31,254
	11,990	186,886

4 Operating profit/(loss)

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
This is arrived at after charging		
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	1,833	2,029
Auditors' remuneration - taxation services	1,100	1,500

5 Employees

The company did not have any employees during the current or preceding period, and therefore did not incur any staff costs

6 Directors' remuneration

No director received any emoluments during the period (2010 - £nil).

7 Taxation on profit on ordinary activities

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Deferred tax		
Adjustment in respect of previous periods	-	222,700
Depreciation less than capital allowances	22,897	96,994
Effect of changes in the tax rate	17,642	12,413
Movement in deferred tax provision	40,539	332,107

The tax assessed for the period is different to the standard rate of corporation tax in the UK applied to profit before tax

	52 weeks ended 31 December 2011 £	52 weeks ended 1 January 2011 £
Profit on ordinary activities before tax	122,400	126,967
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (2010 - 28%)	31,824	35,550
Effect of.		
Expenses not deductible for tax purposes	-	16,889
Capital allowances for period in excess of depreciation	(23,813)	(100,586)
Transfer pricing adjustment	1,635	995
Group relief (received)/surrendered for nil payment	(9,646)	47,152
Current tax charge for the period	-	-

8 Tangible fixed assets

	Motor vehicles £
Cost	
At 2 January 2011	1,219,919
Disposals	(379,876)
At 31 December 2011	**840,043**
Depreciation	
At 2 January 2011	1,210,865
Provided for the period	9,054
Disposals	(379,876)
At 31 December 2011	**840,043**
Net book value	
At 31 December 2011	-
At 1 January 2011	9,054

9 Debtors

	31 December 2011 £	1 January 2011 £
Trade debtors	**940**	301
Amounts owed by group undertakings	**513,489**	465,475
Deferred taxation	**197,630**	238,169
	712,059	703,945

All amounts shown under debtors fall due for payment within one year

	Deferred taxation £
At 2 January 2011	238,169
Charged to profit and loss account	(22,897)
Effect of change in tax rate	(17,642)
At 31 December 2011	**197,630**

Deferred taxation

The amount of deferred tax provided for is as follows	31 December 2011 £	1 January 2011 £
Depreciation in excess of capital allowances	**197,630**	238,169

10 Creditors: amounts falling due within one year

	31 December 2011 £	1 January 2011 £
Taxation and social security	**6,210**	16,513
Other creditors	**16,710**	23,782
Accruals and deferred income	**4,363**	4,587
	27,283	44,882

MNA Leasing Limited

Notes forming part of the financial statements for the period ended 31 December 2011 ***(continued)***

11 Share capital

	31 December 2011 £	1 January 2011 £
Allotted, called up and fully paid		
2 Ordinary shares of £2 each	2	2

12 Reserves

	Profit and loss account £
At 2 January 2011	673,968
Profit for the period	81,861
At 31 December 2011	**755,829**

13 Reconciliation of movements in shareholders' funds

	31 December 2011 £	1 January 2011 £
Profit/(loss) for the period	**81,861**	(205,140)
Opening shareholders' funds	**673,970**	879,110
Closing shareholders' funds	**755,831**	673,970

14 Contingent liabilities

During the year the company was party to group banking facilities These facilities were made available to the company to meet its day to day working capital requirements It had overdraft facilities set at £4 0m with Lloyds TSB (2010 - £4 0m), which were due for renewal in December 2011 (facility was temporarily extended during the refinancing noted below) The group also had a term loan and revolving credit facilities with Lloyds TSB until December 2014 The term loan had an outstanding balance of £12 0m (2010 - £15 0m) and incurred interest at between 2 5% and 3 0% per annum over the Libor rate The revolving credit facility has an outstanding balance of £4 5m (2010 - £3 0m) and incurs interest at between 2 25% to 2 75% per annum over Libor The facilities are secured by a fixed and floating charge over the assets of the group

As at 31 December 2011, the group's net debt under the above facilities totalled £16 4m (1 January 2011 - £17 9m)

In addition subsequent to the year end the UK and Channel Island banking facilities have been separated The company is now only party to cross guarantees to the UK banking facility which total £12m as noted in Note 1

15 Related party disclosures

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related party disclosures' as a wholly owned subsidiary not to disclose details of related party transactions required by the standard

16 Ultimate parent company and parent undertaking of larger group

The company is a wholly owned subsidiary of The Midland News Association Limited, registered in England and Wales and is included in that company's group accounts

The ultimate patent undertaking is Claverley Company, also registered in England and Wales

On 3 July 2012 the ultimate parent undertaking became Claverley Holdings Limited, registered in England and Wales