

Registered number · 2424659

MNA LEASING LIMITED

ANNUAL REPORT AND ACCOUNTS  
FOR THE PERIOD (53 WEEKS) ENDED  
2<sup>nd</sup> JANUARY 2010

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**MNA LEASING LIMITED**

**ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD (53 WEEKS) ENDED  
2<sup>nd</sup> JANUARY 2010**

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## **MNA LEASING LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report and the accounts for the period (53 weeks) ended 2<sup>nd</sup> January 2010.

### **ACTIVITIES AND BUSINESS REVIEW**

Throughout the period the principal activity of the company has been that of vehicle leasing. The trading results for the period are reflected in the profit and loss account as shown on page 7. 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.

### **RESULTS AND DIVIDEND**

The profit for the period after taxation amounted to £99,350 (2008 - £109,173). The Directors do not propose to pay a dividend in respect of 2009 (2008 - £Nil).

### **BOARD OF DIRECTORS**

The members of the Board who held office during the period are -

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

### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow Directors and the group's auditors, each Director has taken all steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **AUDITORS**

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.

### **SMALL COMPANY EXEMPTION**

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

BY ORDER OF THE BOARD



D J HUGHES  
Secretary  
Registered Office.  
Queen Street, Wolverhampton  
26<sup>th</sup> April 2010

## **MNA LEASING LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MNA LEASING LIMITED**

We have audited the financial statements of MNA Leasing Limited for the period ended 2<sup>nd</sup> January 2010 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 sections 495 and 496 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 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*

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### *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 2 January 2010 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 matters 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MNA LEASING LIMITED (continued)**

*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.



*Graham Clayworth (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Birmingham  
United Kingdom  
26<sup>th</sup> April 2010*

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 2<sup>nd</sup> JANUARY 2010**

	Notes	2009	2008
		£	£
<b>Turnover</b>	2	336,736	529,491
Net operating expenses	3	(331,876)	(485,977)
<b>Operating Profit</b>		4,860	43,514
Profit on sale of fixed assets		68,410	121,235
Group interest payable		(3,652)	(20,842)
<b>Profit on Ordinary Activities before Taxation</b>		69,618	143,907
Taxation	6	29,732	(34,734)
<b>Profit on Ordinary Activities after Taxation and retained profit for the period</b>	13	99,350	109,173

All the activities of the company are continuing

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

**MNA LEASING LIMITED****Company Number 2424659****BALANCE SHEET AT 2<sup>nd</sup> JANUARY 2010**

	Notes	2009	2008
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	7	164,686	458,318
<b>Current assets</b>			
Debtors (includes amounts due after one year of £570,276 - 2008 £540,505)	8	819,866	1,009,965
Cash at bank and in hand		19,756	39,462
		839,622	1,049,427
<b>Creditors</b> amounts falling due within one year	9	125,198	727,985
<b>Net current assets</b>		714,424	321,442
<b>Total assets less current liabilities</b>		879,110	779,760
<b>Provisions for liabilities</b>			
Deferred taxation	10	-	-
<b>Net Assets</b>		<u>£879,110</u>	<u>£779,760</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	879,108	779,758
<b>Shareholders' funds</b>	13	<u>£879,110</u>	<u>£779,760</u>

The accounts on pages 7 to 14 were approved and authorised for issue by the Board of Directors on the 26<sup>th</sup> April 2010 and signed on behalf of the Board

  
**G. W. EVERS**  
Director

## **MNA LEASING LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE PERIOD (53 WEEKS) ENDED 2<sup>nd</sup> JANUARY 2010**

#### **1. ACCOUNTING POLICIES**

A summary of the principal accountancy policies, which have been applied consistently throughout the period, unless otherwise stated, is set out below:-

##### **a) Fundamental accounting concept**

The financial statements have been prepared on the going concern basis. The Directors have considered the principal risks and uncertainties that apply to the business and believe that it is appropriate to continue to prepare the accounts on this 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 period (53 weeks) ended 2<sup>nd</sup> January 2010 (2008 - 52 weeks ended 27<sup>th</sup> December 2008).

##### **c) Turnover**

Turnover represents the amount receivable (excluding VAT) in respect of the period for vehicle leasing.

##### **d) Leases**

Assets held for use on operating leases are recorded as fixed assets and are depreciated over the useful economic life of the asset. Rental income from operating leases is recognised on a straight line basis over the period of the lease.

##### **e) Depreciation**

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

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.

##### **f) Deferred Taxation**

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. 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 or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

## **MNA LEASING LIMITED**

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

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **g) Cash Flow**

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, The Midland News Association Limited, and the company is included in the consolidated financial accounts.

### **2. TURNOVER**

Turnover arises from vehicle leasing carried out wholly within the United Kingdom.

### **3. NET OPERATING EXPENSES**

	2009	2008
	£	£
Depreciation of tangible fixed assets – owned	292,038	442,477
Other operating charges	39,838	43,500
	<u>£331,876</u>	<u>£485,977</u>

Included in other operating charges are audit services for the company of £2,000 (2008 - £2,000) and non audit services relating to taxation of £1,500 (2008 - £1,500)

### **4. EMPLOYEES**

There were no employees of the company during the period.

### **5. DIRECTORS' REMUNERATION**

No payments were made to the Directors during the period

**MNA LEASING LIMITED****NOTES TO THE ACCOUNTS (Continued)****6. TAXATION**

	2009 £	2008 £
<b>UK Current Tax</b>		
Group relief payable	-	79,303
Adjustments in respect of previous periods	39	316
	<hr/>	<hr/>
<b>Total Current tax charge (see below)</b>	39	79,619
<b>UK Deferred Tax (Note 10)</b>		
<b>Origination and reversal of timing differences</b>		
Depreciation in excess of capital allowances	(29,985)	(44,671)
Short term timing differences	214	(214)
	<hr/>	<hr/>
	<u>£(29,732)</u>	<u>£34,734</u>
 <b>Factors affecting the tax charge for the period</b>		
Profit on ordinary activities before tax	<u>69,618</u>	<u>143,907</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28%)	19,493	40,294
Effects of:		
Expenses not deductible for tax purposes	1,244	-
Depreciation in excess of capital allowances	29,985	44,671
Short term timing differences	(214)	214
Transfer pricing adjustment	(183)	(7,179)
Effect of change in tax rate in the year	-	1,391
Adjustment in respect of previous periods	39	316
Group relief received for nil payment	(50,325)	-
Other	-	(88)
	<hr/>	<hr/>
<b>Current tax charge for the period (see above)</b>	<u>£39</u>	<u>£79,619</u>

**MNA LEASING LIMITED****NOTES TO THE ACCOUNTS (Continued)****7. TANGIBLE FIXED ASSETS**

	Motor Vehicles £
Cost:	
At 27 <sup>th</sup> December 2008	2,832,032
Disposals	(492,544)
	<hr/>
At 2 <sup>nd</sup> January 2010	2,339,488
	<hr/>
Depreciation:	
At 27 <sup>th</sup> December 2008	2,373,714
Charge for the period	292,038
Disposals	(490,950)
	<hr/>
At 2 <sup>nd</sup> January 2010	2,174,802
	<hr/>
Net Book Values.	
At 2 <sup>nd</sup> January 2010	£164,686
	<hr/>
At 27 <sup>th</sup> December 2008	£458,318
	<hr/>

**8. DEBTORS**

	2009 £	2008 £
<b>Amount due after more than one year:</b>		
Deferred tax	570,276	540,505
<b>Amounts falling due within one year:</b>		
Trade debtors	1,663	-
Due from parent and fellow subsidiary undertaking	247,927	468,944
Corporation Tax	-	516
	<hr/>	<hr/>
	£819,866	£1,009,965
	<hr/>	<hr/>

## **MNA LEASING LIMITED**

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

#### **9. CREDITORS**

Amounts falling due within one year:

	2009 £	2008 £
Due to parent and fellow subsidiary undertakings	55,187	519,982
Group relief payable	-	79,303
VAT payable	10,775	19,578
Accruals and deferred income	59,236	109,122
	<u>£125,198</u>	<u>£727,985</u>

#### **10. DEFERRED TAXATION**

The deferred tax consists of	2009 £	2008 £
Depreciation in excess of capital allowances	(570,276)	(540,291)
Other timing differences	-	(214)
	<u>£(570,276)</u>	<u>£(540,505)</u>
Movement during the current period		
At 27 <sup>th</sup> December 2008 – deferred tax asset	(540,505)	(495,620)
Credit during the period (see note 6)	(29,771)	(44,885)
	<u>£(570,276)</u>	<u>£(540,505)</u>
At 2 <sup>nd</sup> January 2010 – deferred tax asset (see Note 8)	<u>£(570,276)</u>	<u>£(540,505)</u>

#### **11. SHARE CAPITAL**

	Allotted called up and fully paid £
Ordinary shares of £1 each at 27 <sup>th</sup> December 2008 and 2 <sup>nd</sup> January 2010	<u>2</u>

## **MNA LEASING LIMITED**

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

#### **12. PROFIT & LOSS ACCOUNT**

	£
At 27 <sup>th</sup> December 2008	779,758
Retained profit for the period	99,350
As at 2 <sup>nd</sup> January 2010	<u>£879,108</u>

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

	2009 £	2008 £
Profit on ordinary activities after taxation	99,350	109,173
Net addition to shareholders' funds	99,350	109,173
Opening shareholders' funds	779,760	670,587
Closing shareholders' funds	<u>£879,110</u>	<u>£779,760</u>

#### **14. CONTINGENT LIABILITY**

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. The group transferred its banking facilities from Barclays Bank PLC to Lloyds TSB Bank PLC in December 2009. It has overdraft facilities set at £4m with Lloyds TSB (2008 - £9m with Barclays) which are due for renewal in December 2010. The group also has a term loan and revolving credit facilities with Lloyds TSB until December 2014. The term loan has an outstanding balance of £17.5m (2008 - £25m with Barclays) and incurs interest at between 2.5% to 3.0% per annum over Libor rate. The revolving credit facility has an outstanding balance of £7.5m 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 2nd January 2010, the group's net debt under the above facilities totalled £19.0m (2008 - £26.7m with Barclays).

#### **15. 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 other than those noted below.

#### **16. ULTIMATE PARENT UNDERTAKING**

The company is a wholly owned subsidiary undertaking of The Midland News Association Limited, a company registered in England & Wales and is included in that company's group accounts. The ultimate parent undertaking is Claverley Company, a company registered in England and Wales.