

**HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED**

**REPORT OF THE DIRECTORS**

**AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2000**

**COMPANY NO. 2609214**



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COMPANIES HOUSE

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# **HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED**

## **REPORT OF THE DIRECTORS** **FOR THE PERIOD ENDED 31 DECEMBER 2000**

### **1 PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the company was the leasing of property and other assets.

On 29 September 2000, the company transferred part of its leasing portfolio to a fellow subsidiary, HFGL Limited (formerly Humberclyde Finance Group Limited) at net asset value. The company did not make a profit or loss as a result of this transaction.

In addition, on 29 September 2000, as part of an ongoing group rationalisation programme, the company increased its authorised, issued and allotted share capital to £2,000,000. The new shares were issued at par. Consideration was settled by the capitalisation of the company's intercompany debt. (Note 11).

### **2 RESULTS AND DIVIDEND**

The profit and loss account for the period ended 31 December 2000 is set out on page 3. The Board does not recommend payment of a dividend (year to 31 May 2000: £Nil).

### **3 DIRECTORS AND DIRECTORS' INTERESTS**

The Directors of the company who served during the period were:

Mr M J Dix  
Mr T B Veillet-Lavallée  
Mr N D James

No director of the company has at any time had any beneficial interest in the shares of the company or the group.

### **4 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 result 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

By order of the Board.

M J DIX  
21 December 2001

Northern Cross  
Basing View  
Basingstoke, Hants  
RG21 4HL

**HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED****AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED**

We have audited the financial statements on pages 3 to 10 which have been prepared following the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Auditing Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 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.

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 of the state of the company's affairs as at 31 December 2000 and of the loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Mazars Neville Russell*  
Mazars Neville Russell  
Chartered Accountants  
and Registered Auditors  
London

*24 December 2001*

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2000**

		1 June to 31 December 2000 <u>£'000</u>	Year ended 31 May 2000 <u>£'000</u>
<b><u>CONTINUING OPERATIONS</u></b>	<u>Notes</u>		
Interest receivable	2	630	2,723
Interest payable	3	(342)	(1,350)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		288	1,373
Other operating income		10	55
Administrative expenses	4	(319)	(995)
		<hr/>	<hr/>
<b>OPERATING (LOSS) PROFIT / (LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(21)	433
Taxation on (loss)/profit on ordinary activities	5	7	(80)
		<hr/>	<hr/>
<b>(LOSS) PROFIT FOR THE FINANCIAL YEAR</b>	12	<u>(14)</u>	<u>353</u>

The company has no recognised gains or losses other than the result for the year.


The notes on pages 5 to 10 form part of these financial statements.

**BALANCE SHEET AT 31 DECEMBER 2000**

	<u>Notes</u>	<u>31 December</u> <u>2000</u> <u>£'000</u>	<u>31 December</u> <u>2000</u> <u>£'000</u>	<u>31 May</u> <u>2000</u> <u>£'000</u>	<u>31 May</u> <u>2000</u> <u>£'000</u>
<b>FIXED ASSETS</b>					
Tangible fixed assets	6	863		879	
Operating lease assets	7	-		876	
			863		1,755
<b>CURRENT ASSETS</b>					
Amounts falling due within one year	8	154		6,012	
Amounts falling due after more than one year	8	-		10,164	
<b>CREDITORS : Amounts falling due within one year</b>	9	(1,020)		(19,920)	
<b>NET CURRENT LIABILITIES</b>			(866)		(3,744)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(3)		(1,989)
<b>NET LIABILITIES</b>			(3)		(1,989)
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		2,000		-
Profit and loss account			(2,003)		(1,989)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12		(3)		(1,989)

The notes on pages 5 to 10 form part of these financial statements.

These financial statements were approved by the Board of Directors on 21 December 2001


 M J Dix, Director

**HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000**

**1. ACCOUNTING POLICIES**

a) Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards.

The company is exempt from the requirements of FRS 8 to report transactions with related parties and exempt from the requirements of FRS1 to produce a cashflow statement as it is a wholly owned subsidiary of BNP Paribas SA whose consolidated financial statements are available to the public.

These accounts have been prepared to 31 December 2000 which represents a 7 month period. Comparative figures relate to a 12 month period ended 31 May 2000.

b) Gross Profit

Gross profit comprises rentals receivable from group companies during the period under operating lease arrangements. It also comprises interest charges, finance income on leases, operating lease rental income and depreciation charges and commissions receivable during the year less interest payable and similar charges.

Gross profit is apportioned over the life of agreements to give a constant periodic rate of return on the net investments in those agreements.

c) Depreciation of Tangible Fixed Assets

The cost of fixed assets, with the exception of freehold land, is written off on a straight line basis from the period in which they are brought into use over their estimated useful life.

Furniture & Equipment	Three to five years
Motor Vehicles	Two to four years

d) Depreciation of other Fixed Assets

Operating lease assets are depreciated on the same basis as finance leases to anticipated residual value at the end of the agreements.

e) Deferred Taxation

Deferred Taxation is accounted for at current rates of tax on all timing differences between the accounting and taxation treatment of income and expense, except where no liability to taxation is expected to arise in the foreseeable future.

f) Finance leases

The company's net investment in finance leases is included in the balance sheet at the gross amount of minimum future receivables, less gross earnings allocated to future periods and specific bad debt provisions.

**2. INTEREST RECEIVABLE**

Interest earned on activities, all within the UK, includes aggregate lease rentals receivable of £2,844,000 (year to 31 May 2000 £9,872,000). Of this amount, £88,900 (year to 31 May 2000 £276,610) was derived from Operating Leases with customers. A further £231,000 (year to 31 May 2000 £415,000) was derived from Operating Leases with fellow subsidiary companies. Depreciation on fixed assets amounts to £258,000 (year to 31 May 2000 £436,000) (Note 6).

Interest earned on leasing activities includes a depreciation charge in respect of Operating Lease assets of £65,000 (year to 31 May 2000 £207,000) (Note 7).

**HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000**  
(Continued)**3. INTEREST PAYABLE**

	1 June to 31 December 2000 <u>£'000</u>	Year ended 31 May 2000 <u>£'000</u>
Interest payable to group undertakings	(342)	(1,350)
	<u>          </u>	<u>          </u>

**4. ADMINISTRATIVE EXPENSES**

The Directors' and Auditors' remuneration is borne by a fellow subsidiary undertaking.

Administrative expenses include:

	1 June to 31 December 2000 <u>£'000</u>	Year ended 31 May 2000 <u>£'000</u>
Profit on disposal of fixed assets	28	49
Rentals payable under operating leases	(110)	(277)
	<u>          </u>	<u>          </u>

**5. TAXATION**

	1 June to 31 December 2000 <u>£'000</u>	Year ended 31 May 2000 <u>£'000</u>
Provision for deferred taxation (Note 10)	149	213
Group relief payable	(142)	(293)
	<u>          </u>	<u>          </u>
	7	(80)
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000**  
(Continued)

**6. TANGIBLE FIXED ASSETS**

	<u>Fixtures &amp; Fittings</u>	<u>Vehicles</u>	<u>Total</u>
<b><u>Cost</u></b>	£'000	£'000	£'000
At 1 June 2000	1,051	1,280	2,331
Additions	-	305	305
Disposals	-	(221)	(221)
<b>At 31 December 2000</b>	<b>1,051</b>	<b>1,364</b>	<b>2,415</b>
<b><u>Depreciation</u></b>			
At 1 June 2000	(959)	(493)	(1,452)
Charge for the year (Note 4)	(30)	(228)	(258)
Disposals	-	158	158
	(989)	(563)	(1,552)
<b><u>Net Book Value</u></b>			
At 31 May 2000	92	787	879
<b>At 31 December 2000</b>	<b>62</b>	<b>801</b>	<b>863</b>

Annual commitments in respect of land and buildings operating lease rentals expiring in between two and five years from the Balance Sheet date are £282,000 within one year and £321,000 thereafter. (Year to 31 May 2000: £282,000 within one year and £321,000 thereafter.)



**HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000**

(Continued)

**7. OPERATING LEASE ASSETS**

<b><u>Cost</u></b>	<b><u>£'000</u></b>
At 1 June 2000	1,169
Disposals	(6)
Transfer to a fellow group undertaking	<u>(1,163)</u>
<b>At 31 December 2000</b>	<b>-</b>
 <b><u>Depreciation</u></b>	
At 1 June 2000	(293)
Charge for the year (Note 2)	(65)
Disposals	6
Transfer to a fellow group undertaking	<u>352</u>
<b>At 31 December 2000</b>	<b>-</b>
 <b><u>Net Book Value</u></b>	
At 31 May 2000	<u>876</u>
<b>At 31 December 2000</b>	<b>-</b>

**8. DEBTORS**

	<b>31 December 2000 <u>Receivable within one year</u> <u>£'000</u></b>	<b>31 December 2000 <u>Receivable after one year</u> <u>£'000</u></b>	<b>31 May 2000 <u>Receivable within one year</u> <u>£'000</u></b>	<b>31 May 2000 <u>Receivable after one year</u> <u>£'000</u></b>
Net investment in finance leases	-	-	5,528	10,164
Other Debtors	-	-	275	-
Deferred Tax (Note 10)	<u>154</u>	<u>-</u>	<u>209</u>	<u>-</u>
	<b><u>154</u></b>	<b><u>-</u></b>	<b><u>6,012</u></b>	<b><u>10,164</u></b>

**9. CREDITORS: Amounts falling due within one year**

	<b>31 December 2000 <u>£'000</u></b>	<b>31 May 2000 <u>£'000</u></b>
Amounts owed to group undertakings	672	19,429
Other creditors	<u>348</u>	<u>491</u>
	<b><u>1,020</u></b>	<b><u>19,920</u></b>

**HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000**  
(Continued)

**10. DEFERRED TAXATION**

Deferred Taxation :	31 December 2000 Amount Potential £'000	31 December 2000 Amount Provided £'000	31 May 2000 Amount Potential £'000	31 May 2000 Amount Provided £'000
Lease timing differences	121	121	63	63
Short-term timing differences	33	33	146	146
	<u>154</u>	<u>154</u>	<u>209</u>	<u>209</u>

The movement in deferred taxation is as follows:

	£'000
Balance at 1 June 2000	209
Movement for the period (Note 5)	149
Transfer to HFGL Limited at 30 September 2000	<u>(204)</u>
Balance at 31 December 2000	<u>154</u>

**11. SHARE CAPITAL**

The Share Capital comprised 100 authorised and 2 allotted, issued and fully paid Ordinary £1 Shares at 31 May 2000.

On 29 September 2000, the authorised and issued share capital of the company was increased to 2,000,000 ordinary shares of £1 each all of which is called up. The new shares were issued at par and fully paid by the capitalisation of intercompany debt.

Therefore the share capital comprised of 2,000,000 authorised ordinary shares of £1 each, all of which are allotted, called up and fully paid as at 31 December 2000.

**12. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S FUNDS**

	1 June to 31 December 2000 £'000	Year ended 31 May 1999 £'000
At start of year	(1,989)	(2,342)
(Loss)/Profit for the period	(14)	353
Issue of share capital	<u>2,000</u>	<u>-</u>
At end of period	<u>(3)</u>	<u>(1,989)</u>

**HUMBERCLYDE COMMERCIAL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2000****(Continued)****13. ULTIMATE HOLDING COMPANY**

Upon the transfer of the company on 30 September 2000, the immediate holding company became HFGL Limited (formerly Humberclyde Finance Group Limited) which is incorporated in Great Britain and registered in England and Wales.

The ultimate parent company is BNP Paribas which is registered in France.

The smallest and largest group in which the results of the group are consolidated is that headed by BNP Paribas. The consolidated financial statements of BNP Paribas are available to the public and may be obtained from 16 boulevard des Italiens, 75009 Paris, France.