

3338998

CHG-MERIDIAN Capital Limited

Directors Report and Financial Statements

31 December 2011



CHG-MERIDIAN Capital Limited

Registered No 03338998

Directors

P A Bolton
P A Millard
W D Fowkes
S Swiatek
S J Allen (resigned 18 February 2011)

Auditors

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Registered office

Unit 2
Alpha Way
Thorpe Industrial Park
Egham
Surrey
TW20 8RZ

Directors' report

The directors present their report and financial statements of the company for the year ended 31 December 2011

Principal activity

The principal activity of the company in the year under review was that of arranging finance facilities and leasing agreements for business concerns principally in the UK

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

No dividend is proposed (2010 £nil)

Business review

The directors are satisfied with the performance of the company in the year and anticipate that it will continue to develop

There have been no events since the balance sheet date which materially affect the position of the company

Directors

The directors of the company during the year were

P A Bolton
W D Fowkes
P A Millard
S Swiatek
S J Allen (resigned 18 February 2011)


Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



P A Millard
Director

17 February 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and 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, and
- 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 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.

Independent auditor's report to the members of CHG-MERIDIAN Capital Limited

We have audited the financial statements of CHG-MERIDIAN Capital Limited for the year ended 31 December 2011 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

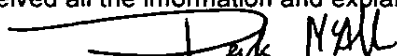
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year 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.



17/2/2012

D McAllan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Profit and loss account for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Turnover	2	1,781	1,987
Cost of sales		(129)	(132)
Gross profit		1,652	1,855
Operating expenses		(1,166)	(1,343)
Other operating income		4	5
Operating profit		490	517
Interest receivable and similar income	6	25	12
Interest payable and similar charges	7	(1)	(1)
Profit on ordinary activities before taxation	5	514	528
Tax charge on profit on ordinary activities	8	(137)	(147)
Retained profit for the financial year	13	377	381

There were no recognised gains or losses other than the profit for the year, the whole of which has been derived from continuing activities

The notes on pages 8 to 17 form part of these financial statements

CHG-MERIDIAN Capital Limited

Registered No 03338998

Balance sheet at 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Intangible fixed assets	9	-	-
Tangible fixed assets	10	22	34
		<u>22</u>	<u>34</u>
Current assets			
Debtors – amounts falling due within one year	11	1,659	1,242
Debtors – amounts falling due after more than one year	11	13	17
		<u>1,672</u>	<u>1,259</u>
Total debtors			
		1,672	1,259
Cash at bank and in hand		30	6
		<u>1,702</u>	<u>1,265</u>
Total assets		<u>1,724</u>	<u>1,299</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	1,299	922
		<u>1,299</u>	<u>922</u>
Equity shareholder's funds	13	1,299	922
Creditors			
Creditors – amounts falling due within one year	14	425	377
		<u>425</u>	<u>377</u>
Total liabilities		<u>1,724</u>	<u>1,299</u>

These financial statements were approved on behalf of the board of directors on 17 February 2012 and were signed on its behalf by



P A Millard
Director

The notes on pages 8 to 17 form part of these financial statements

Notes to the financial statements at 31 December 2011

1. Accounting policies

Accounting convention

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Going concern statement

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review in the Director's Report on page 3

The financial position of the company remains strong with access to adequate funding as part of the wider CHG-MERIDIAN group. As a consequence, the directors believe that the company is well placed to manage its business risks successfully and remain profitable despite the current uncertain economic outlook

Based on the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Turnover

Turnover represents commissions, documentation and insurance fees, end of lease titles and secondary rentals to external customers at invoiced amounts less value added tax

Turnover is recognised when the risks and rewards of owning the goods have passed to the funder or customer, which is generally on activation of the deal (i.e. when CHG-MERIDIAN Capital Limited receives the remittance advice from the funder to confirm that payment will be made)

Where the cost of lease assets is invoiced to the company but substantially all of the risks and rewards of the asset are transferred directly from the supplier to the funder or end lessee, the company accounts for their commission on these transactions in turnover as they are acting as an agent

Tangible fixed assets and depreciation

Depreciation is charged on tangible fixed assets, excluding freehold land, at rates calculated to write off the cost of each asset in equal instalments over its expected useful life as follows

Fixtures, fittings and equipment	-	33% per annum straight line
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The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Notes to the financial statements at 31 December 2011

1. Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exception

- 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 differences can be deducted

Deferred tax is measured on an undiscounted 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

Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling on the balance sheet date. Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of transaction. Resulting differences are dealt with in the profit and loss account

Leasing and hire purchase commitments

- (a) Finance leases Where the company leases out equipment for substantially the whole of its expected life, the present value of the lease income and the present value of the expected residual of the equipment is recorded as an asset on the balance sheet. Subsequent receipts from lessees are allocated between principal and interest on a periodic basis, with the interest element being credited to the profit and loss account
- (b) Operating leases Where the company leases out equipment and the terms of the lease are such that it does not qualify to be treated as a finance lease, it is recorded as an operating lease. Revenue from operating leases is recorded within turnover. The cost of the equipment is depreciated on a straight line basis to its estimated residual value over the period of the lease
- (c) Lease finance obligations Where a lease is financed by a bank or corporate lessor the present value of the obligations payable, discounted at the rate of interest incurred on such finance is recorded as a liability in the balance sheet. Subsequent payments are allocated between principal and interest on a periodic basis
- (d) Operating leases Rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Notes to the financial statements at 31 December 2011

1. Accounting policies (continued)

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Cash Flow Statement

A cash flow statement has not been prepared in accordance with the exemption contained in FRS 1 (revised 1996) "Cash Flow Statements" on the grounds that a parent undertaking includes the company in its own published consolidated financial statements (see note 16).

Balance Sheet

The directors have presented the balance sheet under Format 2 as allowed by the Companies Act 2006. This has been adopted in the year to bring the format of the financial statements in line with the wider CHG group reporting style.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separate net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of three years.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Turnover

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

In compliance with FRS 5 "Substance of Transactions", sales where the company is operating as an agent are recognised net in the profit and loss. The gross turnover relating to these sales was £2,018,733 in the year (2010: £2,907,044).

Notes to the financial statements at 31 December 2011

3 Directors' emoluments

Directors' emoluments were as follows

	2011 £000	2010 £000
<u>All directors</u>		
Emoluments	200	248
Compensation for loss of office	-	37
Company pension contributions to money purchase schemes	1	2
Aggregate emoluments	201	287

	2011 £000	2010 £000
<u>Highest paid director</u>		
Emoluments	108	112
Company pension contributions to money purchase schemes	1	1
Aggregate emoluments	109	113

	2011 No	2010 No
Number of directors to whom retirement benefits are accruing under defined contribution pension arrangements	1	2

4. Staff costs (including directors' emoluments)

	2011 £000	2010 £000
Wages, salaries and commissions	791	892
Social security costs	84	91
Pension costs	2	5
	877	988

The average monthly number of persons employed by the company during the year was as follows

	2011 No	2010 No
Directors	2	3
Administration	6	7
Sales	14	15
	22	25

Notes to the financial statements at 31 December 2011

5. Profit on ordinary activities before taxation

This is stated after charging/crediting

	2011 £000	2010 £000
Depreciation for the year		
- Tangible fixed assets	14	13
Auditors' remuneration		
- audit services	15	17
Operating lease rentals		
- hire of other assets	42	63
Pension costs	2	5
Leasing income		
- finance leases	(4)	(5)
	<u> </u>	<u> </u>

6. Interest receivable and similar income

	2011 £000	2010 £000
Interest receivable		
Group companies	25	12
	<u>25</u>	<u>12</u>

7. Interest payable and similar charges

	2011 £000	2010 £000
Interest payable		
Bank interest payable	1	-
Finance leases and hire purchase contracts	-	1
	<u>1</u>	<u>1</u>

Notes to the financial statements at 31 December 2011

8. Tax on profit on ordinary activities

(a) Analysis of charge in year

	2011 £000	2010 £000
<i>Current tax</i>		
UK corporation tax on the profit for the year	137	147
Total current tax	137	147
Deferred tax (note 8(c))	-	-
Total tax charge for year	137	147

(b) Factors affecting current tax charge for the year

The tax assessed for the year is higher (2010 – lower) than the standard rate of corporation tax in the UK of 26.5% (2010 – 28%). The differences are explained below

	2011 £000	2010 £000
Profit on ordinary activities before tax	514	528
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 – 28%)	136	148
<i>Effects of</i>		
Expenses not deductible for tax purposes	3	2
Capital allowances in excess of depreciation	(2)	(3)
Current tax for the year (note 8(a))	137	147

(c) Deferred tax

There is an unrecognised deferred tax asset of £23,070 (2010 £23,070) in respect of a capital loss. This has not been provided in the financial statements as the directors are not sufficiently certain that this amount can be recovered in future years.

Any future tax charges will be reduced by the phased decrease in the rate of corporation tax from 26% to 24% in 2011 to 2013.

Notes to the financial statements at 31 December 2011

9. Intangible fixed assets

	<i>Goodwill</i> £000
<i>Cost or valuation</i>	
At 1 January 2011 and 31 December 2011	448
<i>Amortisation</i>	
At 1 January 2011 and 31 December 2011	(448)
<i>Net book value</i>	
At 1 January 2011 and 31 December 2011	-

10. Tangible fixed assets

	<i>Fixtures, fittings and equipment</i> £000
<i>Cost</i>	
At 1 January 2011	252
Additions	2
Disposals	(4)
At 31 December 2011	250
<i>Depreciation</i>	
At 1 January 2011	218
Charge for the year	14
Disposal	(4)
At 31 December 2011	228
<i>Net book value</i>	
At 31 December 2011	22
At 31 December 2010	34

CHG-MERIDIAN Capital Limited

Registered No 03338998

Notes to the financial statements at 31 December 2011

11. Debtors

Amounts falling due within one year

	2011 £000	2010 £000
Trade debtors	37	78
Amounts owed by group undertakings	1,590	1,093
Net investment in finance leases	4	9
Prepayments and accrued income	28	62
	<u>1,659</u>	<u>1,242</u>

Amounts falling due after more than one year

	2011 £000	2010 £000
Net investment in finance leases	13	17
	<u>13</u>	<u>17</u>

12. Share capital

	<i>Allotted, called up and fully paid</i>	
	2011 £000	2010 £000
100 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

Notes to the financial statements

at 31 December 2011

13. Reconciliation of shareholder's funds and movements on reserves

	Share Capital 2011 £000	Profit and Loss Account 2011 £000	Total 2011 £000	Total 2010 £000
At 1 January	-	922	922	541
Movement in the year	-	377	377	381
At 31 December	-	1,299	1,299	922

14. Creditors

	2011 £000	2010 £000
Trade creditors	26	49
Amounts owed to group undertakings	50	50
Corporation tax	137	69
Other taxes and social security	98	92
Accruals and deferred income	114	117
	425	377

All creditors are due within one year

15. Commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2011 £000	2010 £000
Leases expiring Between two and five years	42	42
	42	42

Notes to the financial statements

at 31 December 2011

16. Parent undertaking, controlling party and related party disclosures

The company's immediate parent undertaking is CHG-MERIDIAN (Holdings) UK Limited which is the parent undertaking of the largest UK group of which the company is a member

The company's ultimate parent undertaking and controlling party is CHG-MERIDIAN Deutsche Computer Leasing AG, a company incorporated in Germany

The company has availed itself of the exemption under Financial Reporting Standard No 8 "Related Party Disclosures" from reporting related party transactions with other members of the CHG-MERIDIAN Deutsche Computer Leasing AG group. This is the only group in which the results of CHG-MERIDIAN Capital Limited are consolidated. Copies of the group financial statements are available from Franz-Beer-Strasse 111, 88250 Weingarten, Germany

17. Related party transactions

Transactions during the year and balances outstanding at the end of the year with other companies in which one or more directors or shareholders in the company are also directors or shareholders were as follows

	Transactions amount (paid to)/ received from 2011 £000	Balances amount (due to)/ owed from 2011 £000	Transactions amount (paid to)/ received from 2010 £000	Balances amount (due to)/ owed from 2010 £000
<u>JW Rentals Limited</u>				
Rent Unit 20 Cottesbrooke Park	(25)		(25)	
Balance		(1)		(1)
<u>JW Property Partnership</u>				
Rent Unit 21 Cottesbrooke Park	(17)	-	(17)	-
Balance		-		-
	=====	=====	=====	=====