

Company Registration No.
1361121

Transmore Van Hire Limited

Report and Financial Statements

30 April 2004

Deloitte & Touche LLP
Leeds



Transmore Van Hire Limited

REPORT AND FINANCIAL STATEMENTS 2004

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit & Loss account	5
Balance Sheet	6
Notes to the accounts	7

Transmore Van Hire Limited

REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Moorhouse FCCA
G T Murray ACA
P Abdale

SECRETARY

D Henderson FCIS

REGISTERED OFFICE

Norflex House
Allington Way
Darlington
Durham
DL1 4DY

BANKERS

The Royal Bank of Scotland plc
27 Blackwellgate
Darlington
County Durham
DL1 5HX

SOLICITORS

Merritt & Co
The Manor House
83 High Street
Yarm
Cleveland
TS15 1BG

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

Transmore Van Hire Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2004.

PRINCIPAL ACTIVITY

The principal activity of the company is to act as an agent of Northgate Vehicle Hire Limited, its immediate parent company, in its principal activity of hirers of self drive motor vehicles.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the performance of the company to be satisfactory and expect the company to continue trading as an agent of Northgate Vehicle Hire Limited for the foreseeable future.

DIVIDENDS AND WITHDRAWALS FROM RESERVES

The profit on ordinary activities after taxation for the financial year was £Nil (2003: £1,622,946). The directors proposed the payment of a dividend of £3,525,663 (2003: £974,000), leaving the retained loss of £3,525,663 (2003: profit of £648,946) to be withdrawn from (2003: transferred to) reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown on page 1.

No director had any interest in the share capital of the company at 1 May 2003 or 30 April 2004. P J Moorhouse and G T Murray are also directors of the ultimate parent company, Northgate plc. Their interests in the share capital of Northgate plc are disclosed in that company's financial statements.

The interests of the other director in the shares of Northgate plc were as follows. All interests were beneficial and related to ordinary shares of 5p each:

	30 April 2004	1 May 2003
P Abdale		
New Share Option Scheme		
Number of options	12,000	9,000
Executive Incentive Scheme		
Number of options	15,000	15,000
Shares	4,645	3,923

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

D Henderson FCIS
Secretary



22 December 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss 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; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control 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 Transmore Van Hire Limited

We have audited the financial statements of Transmore Van Hire Limited for the year ended 30 April 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

The report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to them in an auditors' report 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 1985. We also report 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 30 April 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte + Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

10 January 2005.

Transmore Van Hire Limited

PROFIT AND LOSS ACCOUNT
Year ended 30 April 2004

	Note	2004		2003	
		£	£	£	£
TURNOVER: continuing operations	2		13,258,277		12,017,359
Staff Costs	3	-		1,194,446	
Depreciation		-		4,680,045	
Other operating charges		13,258,277		3,214,024	
			<u>(13,258,277)</u>		<u>(9,088,515)</u>
OPERATING PROFIT: continuing operations	4		-		2,928,844
Interest payable and similar charges	5		-		<u>(598,244)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			-		2,330,600
Tax on profit on ordinary activities	6		-		<u>(707,654)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			-		1,622,946
Dividends	7		(3,525,663)		(974,000)
RETAINED (LOSS) / PROFIT (WITHDRAWN FROM) / TRANSFERRED TO RESERVES	10		<u>(3,525,663)</u>		<u>648,946</u>

There are no recognised gains and losses for the current financial year and the preceding financial year other than as stated above. Therefore, no statement of total recognised gains and losses has been presented.

Transmore Van Hire Limited

BALANCE SHEET

30 April 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Debtors: amounts due from parent undertaking		39,001	3,564,664
		<u>39,001</u>	<u>3,564,664</u>
NET CURRENT ASSETS			
		<u>39,001</u>	<u>3,564,664</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>39,001</u>	<u>3,564,664</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
	8	-	-
		<u>39,001</u>	<u>3,564,664</u>
CAPITAL AND RESERVES			
Called up share capital	9	39,000	39,000
Profit and loss account	10	1	3,525,664
TOTAL EQUITY SHAREHOLDERS' FUNDS			
	11	<u>39,001</u>	<u>3,564,664</u>

The financial statements were approved by the Board of Directors on 27 June 2004.

Signed on behalf of the Board of Directors:



G T Murray ACA
Director

Transmore Van Hire Limited

NOTES TO THE ACCOUNTS

Year ended 30 April 2004

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets: depreciation

Tangible fixed assets are depreciated over their estimated useful lives on a straight line basis as follows:

Plant, equipment and fittings	over 3 to 10 years
Vehicles for hire	over 3 to 6 years
Motor vehicles	over 3 years

Deferred taxation

In accordance with FRS19, Deferred Tax, full provision is made on timing differences that have originated but not reversed at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

Pension costs

The company contributed to a defined contribution Group Personal Pension Scheme for all qualifying employees. The cost of this is charged to the profit and loss account in the period in which it is incurred. The assets of the scheme are held separately from those of the company in an independently administered fund.

Leases

As lessee: Assets obtained under hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

As lessor: Motor vehicles and equipment leased to customers under operating leases are included within fixed assets. Income from such leases is taken to the profit and loss account evenly over the period of the operating lease agreements.

Cashflow

The company is exempt from the requirement of FRS1 to include a cashflow statement as part of its accounts as it is a wholly owned subsidiary of a group preparing consolidated accounts, which include a consolidated cashflow statement.

2 TURNOVER AND PROFITS

The company does not trade on its own account but acts as agent for its principal, Northgate Vehicle Hire Limited.

Turnover represents the amounts charged to customers on behalf of the principal under operating leases.

All turnover arises in the United Kingdom.

Transmore Van Hire Limited

NOTES TO THE ACCOUNTS

Year ended 30 April 2004

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2004 £	2003 £
Directors' emoluments (excluding pension contributions)	-	74,410
Pension contributions	-	2,615
	-	<u>77,025</u>

Three of the directors received accrued benefits under defined contribution pension schemes (2003: four).

P J Moorhouse and G T Murray (and S Smith during the year ended 30 April 2003) served as directors of the ultimate parent company, Northgate plc. Their total remuneration for the year ended 30 April 2004 was £503,000 (2003: £576,000) and contributions to defined contribution pension schemes totalling £42,000 (2003: £45,000) is as disclosed in the accounts of Northgate plc.

With effect from 30 April 2003, the remuneration of P Abdale is borne by Northgate Vehicle Hire Limited, the immediate parent company, and his remuneration for the year from that company was £71,669 (2003: £Nil) with pension contributions of £2,750 (2003: £Nil).

In the case of the above directors, it is not practicable to allocate their total remuneration to individual group companies.

	2004 No	2003 No
Average number of persons employed		
Production and maintenance	-	47
Sales and distribution	-	3
Administration	-	13
	-	<u>63</u>

Costs incurred in respect of these employees (including directors) were:

	£	£
Wages and salaries	-	1,073,748
Social security costs	-	95,390
Pension costs	-	25,308
	-	<u>1,194,446</u>

4 OPERATING PROFIT

	2004 £	2003 £
Operating profit is stated after charging/(crediting)		
<i>Depreciation and amortisation</i>		
Owned assets	-	4,680,045
Other rental income - vehicles for hire	-	(10,635,122)
Other operating leases	-	55,433
Auditors' remuneration - audit fees	-	<u>3,496</u>

Auditors' remuneration for the current year is borne by the immediate parent company.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
Bank interest payable	-	<u>598,244</u>

Transmore Van Hire Limited

NOTES TO THE ACCOUNTS

Year ended 30 April 2004

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004 £	2003 £
UK Corporation tax on profit for the period	-	805,000
Over provision of corporation tax for prior years	-	(136,346)
Total current taxation	-	668,654
Deferred taxation		
Origination and reversal of timing differences	-	(97,000)
Adjustment in respect of prior periods	-	136,000
	-	707,654

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	-	2,330,600
Tax on profit on ordinary activities at the standard rate	-	699,180
Expenses not deductible for tax purposes	-	9,181
Capital allowances for the period in excess of depreciation	-	97,000
Adjustment to tax charge in respect of previous periods	-	(136,346)
Other	-	(361)
	-	668,654

7 DIVIDENDS

	2004 £	2003 £
Final dividend of £90.40 per ordinary share (2003: £24.97)	3,525,663	974,000

Transmore Van Hire Limited

NOTES TO THE ACCOUNTS

Year ended 30 April 2004

8 PROVISIONS FOR LIABILITIES AND CHARGES

	2004 £	2003 £
Deferred tax provided		
Accelerated capital allowances	-	(10,000)
Transfer to parent company	-	10,000
	<u>-</u>	<u>-</u>

9 CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
39,000 ordinary shares of £1 each	<u>39,000</u>	<u>39,000</u>

10 RESERVES

	£
Profit and loss account	
At 1 May 2003	3,525,664
Retained loss for the year	(3,525,663)
	<u>1</u>
At 30 April 2004	

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Retained profit for the financial year	-	1,622,946
Dividends	(3,525,663)	(974,000)
Net (decrease in) / addition to shareholders' funds	<u>(3,525,663)</u>	<u>648,946</u>
Opening shareholders' funds	3,564,664	2,915,718
Closing shareholders' funds	<u>39,001</u>	<u>3,564,664</u>

Transmore Van Hire Limited

NOTES TO THE ACCOUNTS

Year ended 30 April 2004

12 FINANCIAL COMMITMENTS

Operating lease commitments

At 30 April 2004, the company was committed to making the following payments during the next year in respect of operating leases:

	2004	2003
	£	£
	Land and	Land and
	Buildings	Buildings
Leases which expire:		
Between two and five years	-	38,795

13 CONTINGENT LIABILITIES

There are unlimited cross guarantees in respect of bank borrowings by group companies within the Northgate Vehicle Hire Limited group to each other. The total amount outstanding at 30 April 2004 was £44,164,000 (2003: £57,532,000).

14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in FRS8 not to disclose details of related party transactions with other group companies as it is a wholly owned subsidiary.

15 ULTIMATE PARENT COMPANY

The ultimate parent company is Northgate plc and the immediate parent company is Northgate Vehicle Hire Limited. Both of these companies are registered in England and Wales. The parent undertaking of the largest group which includes the company and for which group financial statements are prepared is Northgate Plc. The parent undertaking of the smallest such group is Northgate Vehicle Hire Limited. Copies of the financial statements of both companies can be obtained from Norflex House, Allington Way, Darlington County Durham, DL1 4DY.

16 PENSION SCHEME

The company has contributed to a Group Personal Pension Scheme. The total pension cost for the company was £Nil (2003 : £25,308). Outstanding contributions at the balance sheet date were £Nil (2003: £Nil).