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Toomey Vehicle Rentals Limited

Report and Financial Statements

31 December 2004

 ERNST & YOUNG



Toomey Vehicle Rentals Limited

Registered No: 4146607

Directors

M J Toomey
P A Dance
P J Plant

Secretary

P J Plant

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered Office

Service House
West Mayne
Basildon
Essex
SS15 6RW

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Directors' report

The directors present their report and financial statements for the year ended 31 December 2004.

Results and dividends

The loss after tax for the year amounted to £94,144 (2003 - loss £26,628). The directors do not recommend a final dividend.

Principal activity and review of the business

The company's principal activity during the year was the provision of motor vehicles for self-drive hire. The directors do not anticipate any significant change in the principal activity of the company.

Directors and their interests

The directors who served the company during the year and appointed subsequently were as follows:

M J Toomey
P A Dance
R G Griffiths (resigned 31 January 2005)
P J Plant (appointed 1 January 2005)

The company is a wholly owned subsidiary of Laindon Holdings Limited.

According to the register maintained as required under the Companies Act 1985, the directors own no shares other than Mr M J Toomey, who holds one ordinary share as nominee of the parent undertaking.

The interest of Mr M J Toomey in the shares of the parent undertaking is disclosed in the director's report of that company.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of board



P A Dance
Director

30 MAR 2005

Statement of directors' responsibilities in respect of the financial statements

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 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; 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 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 Toomey Vehicle Rentals Limited

We have audited the company's financial statements for the year ended 31 December 2004, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This 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 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 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 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 1985. 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 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.

Independent auditors' report

to the members of Toomey Vehicle Rentals Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

31 MAR 2005

Profit and loss account

for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	3	1,309,773	1,451,462
Cost of sales		797,031	913,284
Gross profit		512,742	538,178
Administrative expenses		541,470	533,798
Operating (loss)/profit	4	(28,728)	4,380
Interest payable	7	105,763	106,916
Loss on ordinary activities before taxation		(134,491)	(102,536)
Taxation	8	40,347	75,908
Loss retained for the financial year		(94,144)	(26,628)

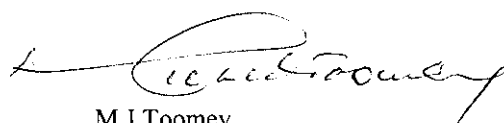
Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £94,144 attributable to the shareholders for the year ended 31 December 2004 (2003 - loss of £26,628).

Balance sheet

at 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Vehicles on contract hire	9	1,231,578	1,625,644
Other tangible assets	10	13,082	9,056
		<u>1,244,660</u>	<u>1,634,700</u>
Current assets			
Debtors	11	322,540	371,809
Cash at bank and in hand		200	200
		<u>322,740</u>	<u>372,009</u>
Creditors: amounts falling due within one year	12	710,125	607,635
		<u>(387,385)</u>	<u>(235,626)</u>
Net current liabilities before finance company liability			
Amounts owed to finance companies falling due within one year	13	539,453	701,901
		<u>(926,838)</u>	<u>(937,527)</u>
Net current liabilities			
		<u>317,822</u>	<u>697,173</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year			
Obligations under finance leases and hire purchase contracts	13	551,013	836,220
		<u>(233,191)</u>	<u>(139,047)</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	16	(233,291)	(139,147)
		<u>(233,191)</u>	<u>(139,047)</u>
Equity shareholders' funds	16		



M J Toomey
Director

30 MAR 2005

Notes to the financial statements

at 31 December 2004

1. Fundamental accounting concept

The financial statements have been prepared under the going concern concept because the parent undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold equipment	-	over the term of the lease
Vehicles on contract hire and lease	-	over the term of the lease

The cost less expected residual value of motor vehicles on lease is depreciated over the length of the lease (1- 4 years).

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.

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.

Hire purchase agreements

Where assets that are capitalised are held under hire purchase contracts the capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Leasing income

All leasing income is recognised on a straight-line basis over the period of the lease.

Notes to the financial statements

at 31 December 2004

3. Turnover

Turnover comprises the invoice value of services supplied by the company exclusive of VAT.

All trading operations are continuing and carried on within the UK.

4. Operating (loss)/profit

This is stated after charging:

	2004	2003
	£	£
Auditors' remuneration - audit services	3,500	3,500
- non audit services	800	2,500
Depreciation of assets held under finance leases and hire purchase contracts	675,099	855,305

5. Directors' emoluments

None of the directors were remunerated through the company during the year.

6. Staff costs

	2004	2003
	£	£
Wages and salaries	284,015	284,840
Social security costs	27,869	24,819
	311,884	309,659

The average monthly number of employees during the year was as follows:

	2004	2003
	No.	No.
Management	1	1
Administration	1	1
Sales	6	5
Other	6	6
	14	13

Notes to the financial statements

at 31 December 2004

7. Interest payable

	2004	2003
	£	£
Bank charges and interest	11,408	11,540
Finance charges payable under finance leases and hire purchase contracts	94,355	95,376
	<u>105,763</u>	<u>106,916</u>

8. Taxation

(a) Analysis of credit in year:

	2004	2003
	£	£
<i>Current tax</i>		
UK corporation tax on the loss for the year	–	(36,274)
Group relief	(31,065)	–
Adjustment in respect of previous periods	–	3,396
Total current tax (note 8(b))	<u>(31,065)</u>	<u>(32,878)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(9,282)	5,513
Overprovision in previous years	–	(48,543)
Total deferred tax (note 14)	<u>(9,282)</u>	<u>(43,030)</u>
Total tax credit (note 8(b))	<u>(40,347)</u>	<u>(75,908)</u>

(b) Factors affecting current tax credit:

	2004	2003
	£	£
Loss on ordinary activities before tax	(134,491)	(102,536)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003 - 30%)	<u>(40,347)</u>	<u>(30,761)</u>
<i>Effects of:</i>		
(Accelerated)/decelerated capital allowances	9,282	(5,513)
Adjustment to tax credit in respect of previous years	–	3,396
Current tax for the year (note 8(a))	<u>(31,065)</u>	<u>(32,878)</u>

Notes to the financial statements

at 31 December 2004

9. Vehicles on contract hire

	2004 £
Cost:	
As at 1 January 2004	2,332,385
Additions	918,703
Disposals	(1,395,927)
As at 31 December 2004	1,855,161
Depreciation:	
As at 1 January 2004	706,741
Charge for the year	671,244
Disposals	(754,402)
At 31 December 2004	623,583
Net book value:	
At 31 December 2004	1,231,578
At 1 January 2004	1,625,644

10. Tangible fixed assets

	<i>Leased plant and machinery £</i>
Cost:	
At 1 January 2004	13,551
Additions	7,881
At 31 December 2004	21,432
Depreciation:	
At 1 January 2004	4,495
Charge for the year	3,855
At 31 December 2004	8,350
Net book value:	
At 31 December 2004	13,082
At 1 January 2004	9,056

Notes to the financial statements

at 31 December 2004

11. Debtors

	2004	2003
	£	£
Trade debtors	196,627	226,090
Amounts owed by group undertakings	14,515	34,558
Group relief receivable	31,065	32,878
Prepayments and accrued income	28,021	35,253
Deferred tax asset (see note 14)	52,312	43,030
	<u>322,540</u>	<u>371,809</u>

12. Creditors: amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	148,740	47,579
Trade creditors	65,499	125,643
Amounts owed to group undertakings	451,482	403,681
Other taxes and social security costs	35,787	24,830
Accruals	8,617	5,902
	<u>710,125</u>	<u>607,635</u>

13. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2004	2003
	£	£
Amounts payable:		
within one year	539,453	701,901
in two to five years	551,013	836,220
	<u>1,090,466</u>	<u>1,538,121</u>

at 31 December 2004

Deferred taxation recognised in the financial statements is as follows:

	2004	2003
	£	£
Decelerated capital allowances	(52,312)	(43,030)
	<u> </u>	<u> </u>
		2004
		£
Recognised at start of year		(43,030)
Deferred tax credit in profit and loss account for the year (note 8(a))		(9,282)
		<u> </u>
Recognised at end of year		(52,312)

		<i>Authorised</i>	
		<i>2004</i>	<i>2003</i>
		£	£
Ordinary shares of £1 each		2,000	2,000
		<u>2,000</u>	<u>2,000</u>

		<i>Allotted, called up and fully paid</i>	
		<i>2004</i>	<i>2003</i>
		No.	No.
		£	£
Ordinary shares of £1 each	100	100	100

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£
At 31 December 2002	100	(112,519)	(112,419)
Loss for the year	—	(26,628)	(26,628)
At 31 December 2003	100	(139,147)	(139,047)
Loss for the year	—	(94,144)	(94,144)
At 31 December 2004	100	(233,291)	(233,191)

The company has guaranteed the bank overdrafts of other group undertakings and the loan facilities of the parent undertaking.

Notes to the financial statements

at 31 December 2004

18. Ultimate parent undertaking

The ultimate undertaking of Toomey Vehicle Rentals Limited is Laindon Holdings Limited. Laindon Holdings Limited is the parent undertaking of the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the parent's consolidated accounts, which include the company, are available from its registered office: Service House, West Mayne, Basildon, Essex SS15 6RW.

19. Related party transactions

The company has taken advantage of the exemption available under FRS 8 and accordingly no disclosure has been made of transactions between group companies.