

Premier Fleet Management and Contract Hire Limited

CONSOLIDATED FINANCIAL STATEMENTS

for the period ended
31 December 2007



Company Registration No 06025920

Premier Fleet Management and Contract Hire Limited

DIRECTORS AND OFFICERS

DIRECTORS

Larkfield Consulting Limited
Stawell Services Limited
J Bateson
S Staton
A D Richman
S J Roff

SECRETARY

Stawell Services Limited

COMPANY NUMBER

06025920 (England and Wales)

REGISTERED OFFICE

Masters House
107 Hammersmith Road
London W1H 0GH

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

Premier Fleet Management and Contract Hire Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Premier Fleet Management and Contract Hire Limited for the period ended 31 December 2007

INCORPORATION

Premier Fleet Management and Contract Hire Limited was incorporated on 12 December 2006

PRINCIPAL ACTIVITIES

The principal activity of the group during the year was that of the provision of fleet management services, total outsourcing solutions and contract hire within the automotive industry

REVIEW OF THE BUSINESS

The directors are satisfied with the results of the group, which are disclosed in the profit and loss account on page 6 of the financial statements

2007 was a highly successful year both on a trading perspective and positioning the company for future growth. The company experienced no customer losses in the period and added a number of new contracts.

The financial targets were exceeded by 27%, and all key objectives were completed in the period including a relocation of the head office to Thames Ditton in Surrey.

2007 saw the launch of a number of initiatives including Customer First, "to make every customer feel like our only customer". This initiative builds on the reputation Venson already has for high quality customer service and underpins the marketing strategy for 2008.

In early 2008 the management team was strengthened with the addition of Andy Brown.

The directors are confident that the Group will achieve strong and profitable growth in the future.

Going concern

Included within creditors due after one year is an amount of £5,400,787 due to its immediate parent, Bottin (International) Investments Limited ("Bottin"). The directors have received confirmation that this funding will not be withdrawn within one year of the date of approval of these financial statements. In addition, Dermot Desmond, the ultimate controlling party of Bottin, has agreed to provide financial support, should it be required, to enable the company to meet its external obligations as and when they fall due.

As a result of the current trading profitability of the company, combined with the continued support of Bottin and Dermot Desmond, the directors are satisfied of the company's future trading position and consider it appropriate to prepare accounts on a going concern basis.

Principal risks

The nature of the company's business is to provide risk transfer fixed price rentals for vehicles to private and public sector customers. The principal risk associated with the business is in the repurchase valuations "residual values" set at the outset of each contract. Residual values are set using industry market tools and analysis of vehicle types within the market place. Constant review of the market, guide prices and current disposal performance allows the business to mitigate its risk. Repurchase valuations are reviewed regularly and a SORP provision is created to account for any possible losses. At 31 December 2007 the SORP provision balance was £273,265.

Premier Fleet Management and Contract Hire Limited

DIRECTORS' REPORT

Key performance indicators

Premier Fleet Management and Contract Hire Limited ("Premier"),
Gross margin 40.3%

Venson Automotive Solutions Limited,

The company achieved 103% of the market value on vehicles disposed in the year (103% 2006)

Venson Nottingham Limited,

In the reporting year the company delivered a vehicle availability performance of 99.2% (2006 99.8%)

In the year to 31 December 2007 the company achieved a profit on disposal of fixed assets of £135,100 (2006 £83,809)

Venson Herts Limited,

In the reporting year the company delivered a vehicle availability performance of 92.8%

Interest Payable

As per Note 4 of the accounts, within the £1,105,915 of interest payable, £677,148 relates to group undertakings. This is as a result of the group reorganisation in 2006 and reflects an interest charge on borrowings ultimately from Bottin.

DIRECTORS

The following directors have held office since incorporation

Larkfield Consulting Limited	(appointed 12 December 2006)
Stawell Services Limited	(appointed 12 December 2006)
J Bateson	(appointed 8 July 2008)
S Staton	(appointed 8 July 2008)
A D Richman	(appointed 8 July 2008)
S J Roff	(appointed 8 July 2008)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

By order of the board



A Richman
Director

8 July 2008

Premier Fleet Management and Contract Hire Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

We have audited the financial statements on pages 6 to 22

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 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 group's and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 December 2007 and of the group's loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

8 July 2008

Premier Fleet Management and Contract Hire Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the period ended 31 December 2007

	<i>Notes</i>	2007 £
TURNOVER	1	16,977,110
Cost of sales		(10,129,318)
GROSS PROFIT		<u>6,847,792</u>
Other operating expenses	2	(6,093,203)
OPERATING PROFIT		<u>754,589</u>
Investment income	3	9,464
Interest payable	4	(1,105,915)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>(341,862)</u>
Taxation	7	(17,467)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	17	<u><u>(359,329)</u></u>

The operating profit for the period arises from the group's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Turnover represents commissions received on agency funding arrangements, operating lease rentals on owned assets, maintenance income and income from sale of vehicles where the company bears the risks and enjoys the related rewards associated with that sale

Premier Fleet Management and Contract Hire Limited
CONSOLIDATED BALANCE SHEET
31 December 2007

	<i>Notes</i>	2007 £
FIXED ASSETS		
Goodwill	8	12,884,641
Tangible assets	9	4,124,378
		<u>17,009,019</u>
CURRENT ASSETS		
Stock	11	202,397
Debtors amounts falling due within one year	12	12,020,467
Debtors amounts falling due after more than one year	12	13,754,249
Cash at bank and in hand		333,623
		<u>26,310,736</u>
CREDITORS Amounts falling due within one year	13	(19,768,396)
NET CURRENT ASSETS		<u>6,542,340</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,551,359</u>
CREDITORS Amounts falling due after more than one year	14	(23,673,927)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(236,759)
		<u>(359,327)</u>
CAPITAL AND RESERVES		
Called up share capital	16	2
Profit and loss account	17	(359,329)
SHAREHOLDERS' DEFICIT	18	<u>(359,327)</u>

The financial statements on pages 6 to 22 were approved by the board of directors and authorised for issue on 8 July 2008 and are signed on its behalf by



A Richman
 Director

Premier Fleet Management and Contract Hire Limited
COMPANY BALANCE SHEET
31 December 2007

	<i>Notes</i>	2007 £
FIXED ASSETS		
Investments	10	350,002
CURRENT ASSETS		
Debtors amounts falling due after more than one year	12	8,947,570
NET CURRENT ASSETS		8,947,750
TOTAL ASSETS		9,297,572
CREDITORS Amounts falling due after more than one year	14	(9,342,570)
NET LIABILITIES		(44,998)
CAPITAL AND RESERVES		
Called up share capital	16	2
Profit and loss account	17	(45,000)
SHAREHOLDERS' DEFICIT	18	(44,998)

The financial statements on pages 6 to 22 were approved by the board of directors and authorised for issue on 8 July 2008 and are signed on its behalf by



A Richman
Director

Premier Fleet Management and Contract Hire Limited
CONSOLIDATED CASH FLOW STATEMENT
for the period ended 31 December 2007

	<i>Notes</i>	2007 £	2007 £
NET CASH FLOW FROM OPERATING ACTIVITIES	19		2,814,135
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		9,464	
Interest paid		(428,767)	
Net cash outflow for returns on investments and servicing of finance			(419,303)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(3,908,410)	
Receipts from sales of tangible assets		4,055,287	
Net cash inflow for capital expenditure			146,877
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertakings	19	(350,002)	
Net overdrafts acquired with subsidiary undertakings		(193,881)	
Purchase of trade and assets	19	(100,000)	
Net overdrafts acquired with trade and assets		(612)	
Net cash outflow for acquisitions			(644,495)
FINANCING			
New long term other loan		450,000	
Other new short term loans		-	
Repayment of other short term loans		(2,106,341)	
Capital element of hire purchase contracts		(166,038)	
Net cash outflow from financing			(1,822,379)
INCREASE IN CASH IN THE PERIOD			74,835

Premier Fleet Management and Contract Hire Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

CONSOLIDATION

The consolidated accounts comprise the accounts of the company together with those of its subsidiary undertakings made up to 31 December 2007 under the acquisition method

GOING CONCERN

Included within creditors due after one year is an amount due to Bottin (International) Investments Limited ("Bottin"), a related party. The directors have received confirmation that this funding will not be withdrawn within one year of the date of these financial statements. In addition, Dermot Desmond, the ultimate controlling party of Bottin, has agreed to provide financial support, should it be required, to enable the company to meet its external obligations as and when they fall due.

TURNOVER

Turnover represents the value, net of Value Added Tax, of fit out fees, commission in respect of operating leases, rental and maintenance income and certain vehicle sales.

Reimbursed costs represent fleet management costs rechargeable to clients.

AGENCY FUNDING REVENUE

A substantial part of the company's fleet of vehicles are funded on agency terms under which the company acts as an agent for the funder in purchasing, delivering, collecting and selling the vehicle. Revenue in respect of agency contracts is recognised on straight-line basis over the term of the contract.

The company is also responsible for collecting the periodic rentals due from the customers but is not exposed to the credit risk in relation to these rentals.

The company recognised the gross rentals due from customers in respect of the periodic rentals as a debtor and the amounts payable to funders as a creditor.

RESIDUAL VALUES

At the expiry of the agency contract the company is obliged to pay the funder a balloon payment equivalent to the estimated residual value of the vehicle. Following sale of the vehicle the company accounts for the net sale proceeds to the funder up to the level of the estimated residual value. Any excess remains with the company, should there be a shortfall the company is exposed to the loss on the residual values. The amount of the exposure is on a pre-agreed basis with the funder. In complying with FRS 5 Reporting the Substance of Transactions the company has decided to show all of the residual value due as gross receivables in debtors and the corresponding amount due to funders as gross payables in creditors.

The residual values of the vehicles are monitored in accordance with the industry practice and projected losses to the company on end-of-life disposals provided for accordingly.

VEHICLE MAINTENANCE CONTRACTS

During the term of the vehicle contract, the maintenance income element is recognised over the life of the contract in accordance with the industry practice and maintenance expenditure is recognised when incurred.

INVESTMENTS

Long term investments in subsidiary undertakings are shown, at cost, and classified as fixed asset investments. Provision is made for any impairment in the value of fixed asset investments.

Premier Fleet Management and Contract Hire Limited

ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows

Freehold buildings	over 25 years
Plant, machinery, fixtures, fittings and equipment	25% to 33⅓% per annum
Motor vehicles	25% to 33⅓% per annum
Computer equipment	25% to 33⅓% per annum

Vehicles held for hire are depreciated to estimated resale value at the end of the lease, based on industry data. Used vehicles acquired at the expiry of the funding agreement and held for hire are depreciated at 40% per annum

STOCKS

Motor vehicles parts stock is valued at the lower of cost and net realisable value

DEFERRED TAXATION

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

LESSOR ACCOUNTING

Assets held for use under operating leases are included within fixed assets. Rental income under contract hire is recognised on a straight line basis over the life of the initial contract. On extension of the contract, income is recognised as earned

Income and costs in respect of daily hire contracts are recognised gross as the company bears the risks and rewards associated with these sales

PENSION CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the period, to money purchase pension schemes of employees

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalized is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account in accordance with the above depreciation accounting policy

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the length of the lease and represents a constant proportion of the remaining balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor

All other leases are treated as "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease

GOODWILL

Negative goodwill representing the shortfall of the purchase price compared with the fair value of the net assets acquired is capitalised and written off evenly over 2 years as in the opinion of the directors this represents the period over which the goodwill is effective

Goodwill represents the excess of the purchase price compared with the fair value of the net assets acquired is capitalised and written off evenly over 20 years as in the opinion of the directors this represents the period over which the goodwill is effective

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The contributions of the various activities of the group to turnover and profit on ordinary activities before taxation, which are in respect of continuing activities, are set out below

	2007 £
Analysed as	
Management Fees and ancillary services	3,514,083
Reimbursed costs	1,767,614
Fit out	570,115
Lease management and ancillary services	7,466,281
Vehicle sales	3,659,017
	<u>16,977,110</u>

2 OTHER OPERATING EXPENSES

	2007 £
Administration expenses	<u>6,093,203</u>

3 INVESTMENT INCOME

	2007 £
Bank interest	<u>9,464</u>

4 INTEREST PAYABLE

	2007 £
On bank loans and overdrafts	370,085
Interest paid to related parties	677,148
Hire purchase interest	23,190
Other interest	35,492
	<u>1,105,915</u>

5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £
Loss on ordinary activities before taxation is stated after charging/(crediting)	
Goodwill amortisation	609,661
Depreciation of tangible assets	
Charge for the period	
- owned assets	1,707,771
- leased assets	75,098
Profit on disposals	(1,038,890)
Operating lease rentals	
Land and buildings	315,320
Auditors' remuneration	68,400
audit	
non-audit	10,000

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

6	EMPLOYEES	2007 No
	The average monthly number of persons (including directors) employed by the group during the period was	115
		<hr/>
		2007 £
	Staff costs for the above persons	
	Wages and salaries	3,039,916
	Social security costs	327,331
	Other pension costs	60,843
		<hr/>
		3,428,090
		<hr/>
	DIRECTORS' REMUNERATION	2007 £
	Emoluments for qualifying services	479,428
		<hr/>
		Number
	The number of directors to whom relevant benefits are accruing under money purchase pension schemes was	Nil
		<hr/>
	Directors' emoluments disclosed above include the following payments in respect of the highest paid director	2007 £
	Emoluments	168,888
		<hr/>

Premier Fleet Management and Contract Hire Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2007

7	TAXATION	2007 £
	UK corporation tax on losses of the period	17,467
	Total current tax	<u>17,467</u>
	Factors affecting tax charge for period	2007 £
	The tax assessed for the period is different than the standard rate of corporation tax in the UK of 30% as explained below	
	Loss on ordinary activities before tax	(359,329)
	Loss on ordinary activities multiplied by standard rate of corporation tax	<u>(107,799)</u>
	Effects of	
	Expenses not deductible for tax purposes	
	Capital allowances in excess of depreciation	
	Other timing differences	
	Group relief	
	Tax losses carried forward	
	Other tax adjustments	17,467
	Current tax charge for period	<u><u>17,467</u></u>

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

8	GOODWILL			
		Negative Goodwill £	Purchased Goodwill £	Total £
	Cost			
	Additions	(144,566)	13,638,868	13,494,302
	At 31 December 2007	(144,566)	13,638,868	13,494,302
	Amortisation			
	Charge for the period	(72,283)	681,944	609,661
	At 31 December 2007	(72,283)	681,944	609,661
	Net book value			
	At 31 December 2007	(72,283)	12,956,924	12,884,641
		Book value at acquisition £	Fair value adjustments £	Fair value £
	FIXED ASSETS			
	Tangible	4,749,790	-	4,749,790
	CURRENTS ASSETS			
	Stock	80,264	-	80,264
	Debtors	26,025,622	-	26,025,622
	Cash	96,457	-	96,457
	CREDITORS Amounts falling due within one year	(18,600,441)	-	(18,600,441)
	CREDITORS Amounts falling due after more than one year	(25,376,558)	-	(25,376,558)
	PROVISIONS AND LIABILITIES AND CHARGES	(264,000)	-	(264,000)
				(13,288,866)
	Consideration			(350,002)
	GOODWILL			(13,638,868)

Negative goodwill represents goodwill on the acquisition of trade and assets in the books of Venson Herts Limited, see note 19e

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

9 TANGIBLE FIXED ASSETS

Group	<i>Freehold land and buildings</i> £	<i>Plant, machinery, fixtures, fittings and equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost				
On acquisitions	814,926	1,348,324	9,382,866	11,546,116
Additions	-	560,907	3,831,861	4,392,768
Disposals	-	(657,400)	(5,946,737)	(6,604,137)
31 December 2007	814,926	1,251,831	7,267,990	9,334,747
Depreciation				
On acquisitions	118,419	1,204,105	5,473,803	6,796,327
Charged in the period	22,597	96,065	1,664,207	1,782,869
Disposals	-	(583,067)	(2,785,760)	(3,368,827)
31 December 2007	141,016	717,103	4,352,250	5,210,369
Net book value				
31 December 2007	673,910	534,728	2,915,740	4,124,378

Included above are assets held under finance leases or hire purchase contracts as follows

	<i>Motor vehicles</i> £
Net book value	
31 December 2007	452,804

The net book value of assets utilised by the group in operating lease contracts is £2,550,003

10	FIXED ASSET INVESTMENTS	£
	Additions	350,002
	31 December 2007	350,002

SUBSIDIARY UNDERTAKINGS

<i>Name</i>	<i>Country of registration or incorporation</i>	<i>Class of holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Venson Automotive Solutions Limited	United Kingdom	Ordinary	100%	Fleet Management
Venson Nottingham Limited	United Kingdom	Ordinary	100%	Fleet Management
Venson Properties Limited	United Kingdom	Ordinary	100%	Property Management
Venson Herts Limited	United Kingdom	Ordinary	100%	Fleet Management

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

11	STOCKS	Group 2007 £	Company 2007 £
	Motor vehicles parts stock	202,397	-
12	DEBTORS	Group 2007 £	Company 2007 £
	Amounts falling due within one year		
	Trade debtors	3,504,276	-
	Vehicles subject to repurchase agreements	8,118,756	-
	Other debtors	154,429	-
	Prepayments and accrued income	243,006	-
		12,020,467	-
		Group 2007 £	Company 2007 £
	Amounts falling due after more than one year		
	Vehicles subject to repurchase agreements	13,754,249	-
	Amounts owed by group undertakings	-	8,947,570
		13,754,249	8,947,570
13	CREDITORS Amounts falling due within one year	Group 2007 £	Company 2007 £
	Bank overdraft	258,788	-
	Bank loans	4,148,536	-
	Vehicles subject to repurchase agreements	8,118,756	-
	Obligations under finance lease and hire purchase contracts	150,633	-
	Trade creditors	1,825,945	-
	Corporation Tax	17,467	-
	Taxes and social security costs	386,057	-
	Other creditors	4,244,545	-
	Accruals and deferred income	617,669	-
		19,768,396	-

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

14	CREDITORS Amounts falling due in more than one year	Group 2007 £	Company 2007 £
	Bank loans	300,618	-
	Other loans	9,342,570	9,342,570
	Vehicles subject to repurchase agreements	13,754,249	-
	Obligations under finance leases and hire purchase agreements	276,490	-
		<u>23,673,927</u>	<u>9,342,570</u>
		Group 2007 £	Company 2007 £
	Vehicles subject to repurchase agreements		
	Included in current liabilities	8,118,756	-
	In more than one year but not more than two years	7,411,290	-
	In more than two years but not more than five years	6,342,959	-
		<u>21,873,005</u>	<u>-</u>
		Group 2007 £	Company 2007 £
	Obligations under finance lease and hire purchase contracts		
	Repayable within one year	150,633	-
	Repayable between two and five years	276,490	-
		<u>427,123</u>	<u>-</u>

Obligations under finance leases and hire purchase agreements are secured by related assets and bear finance charges at rates ranging from 0% to 7.3%

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

15	PROVISION FOR LIABILITIES AND CHARGES		Onerous contracts £
	On acquisition		264,000
	Contract costs provision utilised		(27,241)
	At 31 December 2007		<u>236,759</u>
16	SHARE CAPITAL		2007 £
	Authorised 1,000 Ordinary shares of £1 each		<u>1,000</u>
	Allotted, issued and fully paid 2 Ordinary shares of £1 each		<u>2</u>
	The company allotted two ordinary £1 shares on incorporation at par		
17	RESERVES	Group 2007 £	Company 2007 £
	Profit and loss account		
	On incorporation	-	-
	Loss for the period	(359,329)	(45,000)
	Closing reserves	<u>(359,329)</u>	<u>(45,000)</u>
18	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' DEFICIT	Group 2007 £	Company 2007 £
	New share capital subscribed	2	2
	Loss for the period	(359,329)	(45,000)
	Closing shareholders' deficit	<u>(359,327)</u>	<u>(44,998)</u>

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

19	CONSOLIDATED CASH FLOWS				2007 £
a	Reconciliation of operating profit to net cash outflow from operating activities				
	Operating profit				754,589
	Depreciation of tangible assets				1,782,869
	Profit on disposal of tangible assets				(1,038,890)
	Increase in stocks				(78,135)
	Increase in debtors				684,827
	Increase in creditors				126,454
	Decrease in provision				(27,241)
	Amortisation of goodwill				609,662
	Net cash flow from operating activities				<u>2,814,135</u>
b	Analysis of net debt		Acquisitions (excluding cash and overdrafts)	Other non-cash changes	At 31 December 2007
		Cash flow £	£	£	£
	Net cash				
	Cash at bank and in hand	333,623	-	-	333,623
	Bank overdrafts	(258,788)	-	-	(258,788)
		<u>74,835</u>			<u>74,385</u>
	Debt				
	Finance leases	166,038	(218,225)	(374,936)	(427,123)
	Debts falling due within one year	2,075,302	(6,223,838)	-	(4,148,536)
	Debts falling due after one year	(1,096,107)	(8,547,081)	-	(9,643,188)
		<u>1,220,068</u>	<u>14,989,144</u>	<u>(374,936)</u>	<u>14,144,012</u>
c	Reconciliation of net cash flow to movement in net debt				2007 £
	Increase in cash in the period				74,835
	Cash inflow from increase in debt and lease financing				1,145,233
	Loans and finance leases acquired with subsidiaries				(14,919,584)
	Loans and finance leases acquired with trade and assets				(69,560)
	New finance leases				(374,936)
	Movement in net debt in the period				<u>(14,144,012)</u>
	Opening net debt				-
	Closing net debt				<u>(14,144,012)</u>

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

d	Purchase of subsidiary undertakings	2007 £
	Net assets acquired	
	Tangible fixed assets	4,749,790
	Stock	80,266
	Debtors	26,025,622
	Cash at bank and in hand	96,457
	Creditors	(28,767,077)
	Bank overdrafts	(290,338)
	Loans and finance leases	(14,919,584)
	Provisions	(264,000)
		(13,288,864)
	Goodwill	13,638,866
		350,002
	Satisfied by	
	Cash	350,002
e	Purchase of trade and assets	2007 £
	Net assets acquired	
	Tangible fixed assets	109,422
	Stock	43,996
	Debtors	433,925
	Creditors	(272,605)
	Bank overdrafts	(612)
	Finance leases	(69,560)
		244,566
	Goodwill	(144,566)
		100,000
	Satisfied by	
	Cash	100,000

20 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007 the company had annual commitments under non-cancellable leases as follows

	2007 £
Land and buildings	
expiring in the first to second year	113,860
expiring after five years	153,000
	266,860

Premier Fleet Management and Contract Hire Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2007

21 CONTROL

The ultimate parent company is Bottin (International) Investment Limited ("Bottin"), a company registered in Gibraltar

Mr Dermot Desmond has the ability to exercise dominant influence over Bottin

22 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies where 90% of the voting rights are controlled within the group

During the year the company received working capital funding of £8,665,422 from Bottin. Interest of £677,148 has been accrued on this funding and the balance outstanding at 31 December 2007 was £9,342,570

The directors have received confirmation that the funding received from Bottin will not be withdrawn within one year of the date of approval of these financial statements. Dermot Desmond has agreed to provide financial support should it be required, to enable the group to meet its external obligations as and when they fall due.

During the year the company paid amounts totalling £90,000 (2006: £Nil) on behalf of Dermot Desmond. At the year end the company was owed £90,000 (2006: £Nil), no interest has been charged on this amount. The amount was reimbursed in January 2008.