

REGISTERED NUMBER: 3465480 (England and Wales)

Abbreviated Accounts
for the Year Ended 31 March 2003
for
Regal Vehicle Rentals Limited



Contents of the Financial Statements
for the Year Ended 31 March 2003

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Accounts	10

Regal Vehicle Rentals Limited

Company Information
for the Year Ended 31 March 2003

DIRECTORS:

D H Fielding
B Hastings

SECRETARY:

B W G Carter

REGISTERED OFFICE:

Kingfisher Court
Parkgate Road
Mollington
Chester
CH1 6RR.

REGISTERED NUMBER:

3465480 (England and Wales)

AUDITORS:

McEwan Wallace
Chartered Accountants
Registered Auditors
68 Argyle Street
Birkenhead
CH41 6AF

Regal Vehicle Rentals Limited

Report of the Directors for the Year Ended 31 March 2003

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of short term daily rental vehicle hire.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2003.

DIRECTORS

The directors during the year under review were:

D H Fielding
B Hastings

The beneficial interests of the directors holding office on 31 March 2003 in the issued share capital of the company were as follows:

	31.3.03	1.4.02
Ordinary 'A' £1 shares		
D H Fielding	50	51
B Hastings	50	49
Ordinary 'B' £1 shares		
D H Fielding	4,703	4,703
B Hastings	3,712	3,712

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 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;
- 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.

Regal Vehicle Rentals Limited

Report of the Directors
for the Year Ended 31 March 2003

AUDITORS

The auditors, McEwan Wallace, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'B Hastings', with a stylized flourish at the end.

B Hastings - Director

17 October 2003

Report of the Independent Auditors to
Regal Vehicle Rentals Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages five to sixteen, together with the full financial statements of the company for the year ended 31 March 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

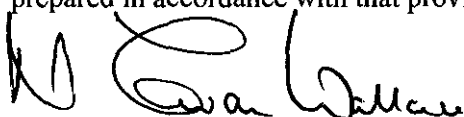
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to sixteen are properly prepared in accordance with that provision.



McEwan Wallace
Chartered Accountants
Registered Auditors
68 Argyle Street
Birkenhead
CH41 6AF

17 October 2003

Regal Vehicle Rentals Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 March 2003

		31.3.03	31.3.02
	Notes	£	£
GROSS PROFIT		764,340	615,676
Administrative expenses		638,907	443,411
OPERATING PROFIT	3	125,433	172,265
Interest payable and similar charges	4	30,006	41,858
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		95,427	130,407
Tax on profit on ordinary activities	5	24,995	29,625
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		70,432	100,782
Retained profit brought forward		198,719	97,937
RETAINED PROFIT CARRIED FORWARD		£269,151	£198,719

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

Regal Vehicle Rentals Limited

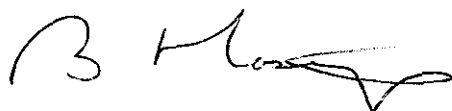
Abbreviated Balance Sheet

31 March 2003

		31.3.03		31.3.02	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		753,249		85,100
CURRENT ASSETS:					
Stocks	7	15,337		15,000	
Debtors	8	871,805		1,236,390	
Cash at bank and in hand		33,365		1,490	
		920,507		1,252,880	
CREDITORS: Amounts falling due within one year	9	1,115,349		845,261	
NET CURRENT (LIABILITIES)/ASSETS:			(194,842)		407,619
TOTAL ASSETS LESS CURRENT LIABILITIES:			558,407		492,719
CREDITORS: Amounts falling due after more than one year	10		(254,518)		(284,000)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(24,738)		-
			£279,151		£208,719
CAPITAL AND RESERVES:					
Called up share capital	15		10,000		10,000
Profit and loss account			269,151		198,719
SHAREHOLDERS' FUNDS (including non-equity interests):	16		£279,151		£208,719

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



B Hastings - Director

Approved by the Board on 17 October 2003

The notes form part of these financial statements

Regal Vehicle Rentals Limited

Cash Flow Statement
for the Year Ended 31 March 2003

	Notes	31.3.03		31.3.02	
		£	£	£	£
Net cash inflow from operating activities	1		451,635		585,600
Returns on investments and servicing of finance	2		(30,006)		(41,858)
Taxation			(29,625)		(16,931)
Capital expenditure	2		(101,554)		(64,734)
			<u>290,450</u>		<u>462,077</u>
Financing	2		(234,497)		(85,853)
Increase in cash in the period			<u><u>£55,953</u></u>		<u><u>£376,224</u></u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period			55,953		376,224
Cash outflow from decrease in debt and lease financing			<u>125,499</u>		<u>-</u>
Change in net debt resulting from cash flows			181,452		376,224
New finance leases			<u>(682,558)</u>		<u>-</u>
Movement in net debt in the period			<u>(501,106)</u>		<u>376,224</u>
Net debt at 1 April			<u>(22,588)</u>		<u>(398,812)</u>
Net debt at 31 March			<u><u>£(523,694)</u></u>		<u><u>£(22,588)</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 March 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.03 £	31.3.02 £
Operating profit	125,433	172,265
Depreciation charges	115,961	14,323
Increase in stocks	(337)	(4,622)
Decrease in debtors	364,585	121,055
(Decrease)/Increase in creditors	(154,007)	282,579
Net cash inflow from operating activities	451,635	585,600

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.03 £	31.3.02 £
Returns on investments and servicing of finance		
Interest paid	(12,178)	(41,858)
Interest element of hire purchase payments	(17,828)	-
Net cash outflow for returns on investments and servicing of finance	(30,006)	(41,858)
Capital expenditure		
Purchase of tangible fixed assets	(101,554)	(64,734)
Net cash outflow for capital expenditure	(101,554)	(64,734)
Financing		
Loan repayments in year	(109,000)	(85,853)
No description	(125,497)	-
Net cash outflow from financing	(234,497)	(85,853)

Regal Vehicle Rentals Limited

Notes to the Cash Flow Statement
for the Year Ended 31 March 2003

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.02 £	Cash flow £	Other non-cash changes £	At 31.3.03 £
Net cash:				
Cash at bank and in hand	1,490	31,875		33,365
Bank overdraft	(24,078)	24,078		-
	<u>(22,588)</u>	<u>55,953</u>		<u>33,365</u>
Debt:				
Hire purchase	-	125,499	(682,558)	(557,059)
	<u>-</u>	<u>125,499</u>	<u>(682,558)</u>	<u>(557,059)</u>
Total	<u>(22,588)</u>	<u>181,452</u>	<u>(682,558)</u>	<u>(523,694)</u>

Analysed in Balance Sheet

Cash at bank and in hand	1,490	33,365
Bank overdraft	(24,078)	-
Hire purchase		
within one year	-	(477,541)
after one year	-	(79,518)
	<u>(22,588)</u>	<u>(523,694)</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Going Concern

The financial statements have been prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the successful collection of credit hire debts as detailed in note 13 below. The directors believe that although they are unlikely to recover the amount in full, adequate provision has been made for any shortfall and it is appropriate for the financial statements to be prepared on the going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 20% on cost
Office equipment	- 20% on cost
Rental Fleet	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Where the company enters into operating and/or finance leases, its policy is to regard leases as finance leases where their term give rights approximate to ownership.

Assets held under finance leases (including hire purchase contracts) are capitalised at the fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after one year. Assets are depreciated over the shorter of the lease term and their useful economic life; in the case of assets held under hire purchase agreements they are depreciated over their useful economic life. Finance charges are allocated to accounting years over the life of each lease to produce a constant rate of charge on the outstanding balance.

Regal Vehicle Rentals Limited

Notes to the Abbreviated Accounts
for the Year Ended 31 March 2003

2. **STAFF COSTS**

	31.3.03	31.3.02
	£	£
Wages and salaries	653,582	632,987
Social security costs	42,960	46,212
	<u>696,542</u>	<u>679,199</u>

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

	31.3.03	31.3.02
Management & Administration	18	19
Drivers	36	37
	<u>54</u>	<u>56</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.03	31.3.02
	£	£
Depreciation - owned assets	27,133	14,323
Depreciation - assets on hire purchase contracts	88,828	-
Auditors' remuneration	7,750	6,125
	<u>123,711</u>	<u>20,448</u>
Directors' emoluments	<u>48,135</u>	<u>43,606</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.3.03	31.3.02
	£	£
Bank interest	6,098	15,775
Other interest	6,080	26,083
Hire purchase	17,828	-
	<u>30,006</u>	<u>41,858</u>

Notes to the Abbreviated Accounts
for the Year Ended 31 March 2003

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.03	31.3.02
	£	£
Current tax:		
UK corporation tax	257	29,625
Deferred taxation	24,738	-
Tax on profit on ordinary activities	<u>24,995</u>	<u>29,625</u>

UK corporation tax has been charged at 19% (2002 - 20%).

6. **TANGIBLE FIXED ASSETS**

	Improvements to property	Office equipment	Rental Fleet	Totals
	£	£	£	£
COST:				
At 1 April 2002	39,693	75,834	-	115,527
Additions	<u>16,720</u>	<u>8,930</u>	<u>758,462</u>	<u>784,112</u>
At 31 March 2003	<u>56,413</u>	<u>84,764</u>	<u>758,462</u>	<u>899,639</u>
DEPRECIATION:				
At 1 April 2002	3,550	26,879	-	30,429
Charge for year	<u>10,891</u>	<u>16,242</u>	<u>88,828</u>	<u>115,961</u>
At 31 March 2003	<u>14,441</u>	<u>43,121</u>	<u>88,828</u>	<u>146,390</u>
NET BOOK VALUE:				
At 31 March 2003	<u>41,972</u>	<u>41,643</u>	<u>669,634</u>	<u>753,249</u>
At 31 March 2002	<u>36,144</u>	<u>48,956</u>	<u>-</u>	<u>85,100</u>

Regal Vehicle Rentals Limited

Notes to the Abbreviated Accounts
for the Year Ended 31 March 2003

6. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Rental Fleet
	£
COST:	
Additions	758,462
At 31 March 2003	758,462
DEPRECIATION:	
Charge for year	88,828
At 31 March 2003	88,828
NET BOOK VALUE:	
At 31 March 2003	669,634

7. **STOCKS**

	31.3.03	31.3.02
	£	£
Stock	15,337	15,000

8. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.3.03	31.3.02
	£	£
Trade debtors	838,350	1,187,360
Other debtors	500	500
Prepayments & accrued income	32,955	48,530
	871,805	1,236,390

For further information, please refer to note 12 .

Regal Vehicle Rentals Limited

Notes to the Abbreviated Accounts
for the Year Ended 31 March 2003

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.3.03 £	31.3.02 £
Bank loans and overdrafts (see note 11)	-	24,078
Hire purchase contracts (see note 12)	477,541	-
Trade creditors	198,739	198,215
Other creditors	16,778	2,126
V.A.T.	38,128	95,091
Social security & other taxes	11,379	14,541
Taxation	257	29,625
Accrued expenses	372,527	481,585
	<u>1,115,349</u>	<u>845,261</u>

For further information, please refer to note 12 .

**10. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.3.03 £	31.3.02 £
Other Loans (see note 11)	-	109,000
Debentures	175,000	175,000
Hire purchase contracts (see note 12)	79,518	-
	<u>254,518</u>	<u>284,000</u>

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.3.03 £	31.3.02 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>24,078</u>
Amounts falling due between one and two years:		
Other Loans	<u>-</u>	<u>109,000</u>

Notes to the Abbreviated Accounts
for the Year Ended 31 March 2003

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.3.03 £	31.3.02 £
Gross obligations repayable:		
Within one year	493,249	-
Between one and five years	85,450	-
	<hr/> 578,699	<hr/> -
Finance charges repayable:		
Within one year	15,708	-
Between one and five years	5,932	-
	<hr/> 21,640	<hr/> -
Net obligations repayable:		
Within one year	477,541	-
Between one and five years	79,518	-
	<hr/> 557,059	<hr/> -

13. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.03 £	31.3.02 £
Bank overdrafts	-	24,078
	<hr/>	<hr/>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	31.3.03 £	31.3.02 £
Deferred taxation	24,738	-
	<hr/>	<hr/>
	Deferred tax £	
Origination and reversal of timing differences	24,738	
	<hr/>	
Balance at 31 March 2003	24,738	
	<hr/>	

Notes to the Abbreviated Accounts
for the Year Ended 31 March 2003

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.03 £	31.3.02 £
100	Ordinary 'A'	£1	100	100
9,900	Ordinary 'B'	£1	9,900	9,900
			<u>10,000</u>	<u>10,000</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.03 £	31.3.02 £
Profit for the financial year	70,432	100,782
Net addition to shareholders' funds	<u>70,432</u>	<u>100,782</u>
Opening shareholders' funds	208,719	107,937
Closing shareholders' funds	<u>279,151</u>	<u>208,719</u>
Equity interests	269,251	198,819
Non-equity interests	9,900	9,900
	<u>279,151</u>	<u>208,719</u>

17. ADDITIONAL NOTES REGARDING DEBTORS

Included within trade debtors is £231,439 of credit hire debt (net of provisions). (2002 - £497,623). Following the decision in Dimond v Lovell, insurers have been slow in paying their liability in respect of credit hire agreements. Accordingly the company has significantly reduced its activity in this area of the market during the year and has now increased corporate hire business to 95% of turnover. The credit hire debt at the date of these accounts currently stands at £90,000 (net of provisions).

The Directors have taken legal opinion on their Rental agreements and counsel has advised that they avoid regulation by the Consumer Credit Act in accordance with the Consumer Credit (Exempt Agreements) Order 1989, and accordingly are ultimately fully enforceable.

The Directors continue to have ongoing discussions with insurers to settle the debts and believe the figure in the accounts will be recoverable in full by March 2005.

18. ULTIMATE CONTROLLING PARTY

During the year, Mr D Fielding gifted one 'A' Ordinary share to Mr B Hastings. Accordingly, the company is now in joint control.