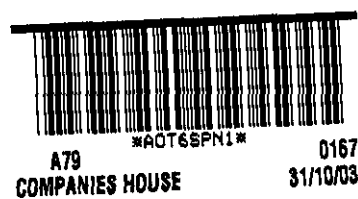


**JESSUPS VEHICLE CONTRACTS LIMITED**

**Report and Financial Statements**

**31 December 2002**



**REPORT AND FINANCIAL STATEMENTS 2002**

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**REPORT AND FINANCIAL STATEMENTS 2002**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

NJ Brownrigg  
EV Sabisky  
RJ Clout  
P Phillips  
L F Clayton  
M P McCarthy

**SECRETARY**

P Phillips

**REGISTERED OFFICE**

Griffin House  
Osbourne Road  
Luton  
LU1 3YT

**BANKERS**

Barclays Bank  
53 Fawcett Street  
Sunderland  
SR1 1SD

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Birmingham

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

### **ACTIVITIES**

The principal activity of the company is that of providing a comprehensive range of funded and managed services relating to the contract hire, leasing and sale of motor vehicles.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

We consider the performance and state of affairs of the company and the Interleasing group to be satisfactory. Looking forward, new vehicle contracts are being included in other group companies, therefore over time the trade in Jessups Vehicle Contracts Limited is diminishing.

### **DIVIDENDS AND RESERVES**

The directors do not recommend the payment of a dividend (2001 - £nil). The profit for the year of £3,174,000 (2001 - £5,498,000 as restated) has been added to reserves.

### **DIRECTORS AND THEIR INTERESTS**

The directors who have served during the year are as follows:

NJ Brownrigg	
EV Sabisky	
RJ Clout	
DW Sheehan	(resigned 1 June 2002)
P Phillips	
L F Clayton	(appointed 23 January 2002)
M P McCarthy	(appointed 1 June 2002)

None of the directors had any beneficial interest in the shares of the company or other group companies during the years ended 31 December 2002 and 2001.

### **EMPLOYEE PARTICIPATION**

It is the company's policy to meet at regular intervals with representatives of various groups of employees to discuss relevant information and developments.

### **DISABLED PERSONS**

The company gives equal consideration to all applicants for employment irrespective of any disability. If a person becomes disabled while employed by the company every endeavour is made to protect that person's position. Disabled persons have the same opportunities for training and career development as other employees with similar skills and abilities.

**DIRECTORS' REPORT**

**AUDITORS**

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. 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



P Phillips  
Secretary

## 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, subject to any material departures disclosed and explained in the financial statements;
- 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  
JESSUPS VEHICLE CONTRACTS LIMITED**

We have audited the financial statements of Jessups Vehicle Contracts Limited for the year ended 31 December 2002 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 18. These financial statements have been prepared under 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 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 31 December 2002 and of its profit 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  
Birmingham

*31 October 2003*

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2002**

	Note	2002 £000	2001* £000 (as restated)
<b>TURNOVER</b>	3	27,198	39,968
Cost of sales		(20,478)	(28,634)
Gross profit / (loss)		6,720	11,334
Administrative expenses		(902)	(1,730)
<b>OPERATING PROFIT</b>	5	5,818	9,604
Interest payable and similar charges	6	(1,216)	(2,911)
Interest receivable	7	518	209
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		5,120	6,902
Tax on profit on ordinary activities	8	(1,946)	(1,404)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	15	3,174	5,498

All activities derive from continuing operations.

\* The profit and loss account for the year ended 31 December 2001 has been restated (see note 2)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 December 2002**

	2002 £000	2001* £000 (as restated)
Profit for the financial year	3,174	5,498
Total recognised gains and losses in the period	3,174	5,498
Prior period adjustment	817	
Total recognised gains relating to the year since the last annual report	3,991	

\* The statement of total recognised gains and losses for the year ended 31 December 2002 has been restated (see note 2).



BALANCE SHEET  
31 December 2002

	Note	2002 £000	2001* £000 (As restated)
<b>FIXED ASSETS</b>			
Tangible assets	9	12,926	30,543
<b>CURRENT ASSETS</b>			
Debtors	10	2,461	2,918
Cash at bank and in hand		14,586	6,619
		17,047	9,537
<b>CREDITORS: amounts falling due Within one year</b>	11	(28,146)	(32,410)
<b>NET CURRENT LIABILITIES</b>		(11,099)	(22,873)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,827	7,670
<b>CREDITORS: amounts falling due after more than one year</b>	12	(1,638)	(10,655)
<b>NET ASSETS/(LIABILITIES)</b>		189	(2,985)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	250	250
Profit and loss account – deficit	15	(61)	(3,235)
<b>EQUITY SHAREHOLDERS’ SURPLUS/(DEFICIT)</b>	16	189	(2,985)

\* The balance sheet as at 31 December 2001 has been restated (see note 2)

These financial statements were approved by the Board of Directors on 30<sup>th</sup> October 2003

Signed on behalf of the Board of Directors



L F Clayton  
Director

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2002

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable 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 is calculated so as to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives. The principal annual rates used are as follows:

Leasehold property	Over the term of the lease straight line
Fixtures, fittings and plant	10% to 20% per annum on cost
Company vehicles	24% to 48% per annum on cost
Vehicles on lease	Over the duration of the contracts to established residual value

##### Contract hire and leasing business

###### (i) As Lessor

Income from vehicle leasing and contract hire agreements is credited to the profit and loss account so as to allocate profits equally over the period of the lease.

###### (ii) As Lessee

Vehicles leased to customers are financed by leasing arrangements which give rights approximating to ownership and the assets are capitalised as tangible fixed assets in the balance sheet. Depreciation on these vehicles is calculated by deducting the estimated residual value from the original cost and allocating the resulting amount over the term of the lease.

##### Finance and operating leases

Assets held under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the term of the lease, including any secondary period, and the expected useful life. The obligation to pay future rentals is included in creditors net of finance charges allocated to future periods. The financial charge element of rentals is calculated on the reducing balance of capital outstanding and charged to the appropriate accounting period through the profit and loss account.

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

##### Stocks

The basis of valuation is the lower of cost and estimated net realisable value.

##### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. 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 binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is provided on a non-discounted basis.

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2002

#### 1. ACCOUNTING POLICIES (continued)

##### Cash flow statement

A cash flow statement has not been prepared because the company is a wholly owned subsidiary of Interleasing (UK) Limited within whose consolidated cash flow statement, the cash flows of the company are included.

##### Related party transactions

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" and has not disclosed details of transactions with entities that are part of Interleasing (UK) Limited.

#### 2. PRIOR YEAR RESTATEMENT

The adoption of FRS 19 Deferred Taxation has required changes in the method of accounting for deferred tax assets and liabilities. As a result of these changes in accounting policy the comparatives have been restated. The effect of this was to increase debtors in the 2001 balance sheet by £817,000 and increase taxation in the year to 31 December 2001 by £53,000. The impact in the current year has been to decreased the tax charge by £66,000.

#### 3. TURNOVER

Turnover represents the value, excluding value added tax, of goods and services provided to customers.

The turnover and profit before taxation are attributable to the principal activity of the company, being that of contract hire and leasing and the disposal of ex -fleet vehicles, and relate wholly to continuing operations in the United Kingdom.

#### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No director received any emoluments from the company during the year (2001 - £Nil).

The company had no employees during the year (2001 - None).

#### 5. OPERATING PROFIT

	2002 £000	2001 £000
Operating profit is after charging:		
Depreciation		
Leased assets	4,557	10,334
Auditors' remuneration		
Audit fees	5	5
Rentals under operating leases for buildings	42	42
	<u>          </u>	<u>          </u>

#### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £000	2001 £000
Loans repayable within 5 years	1,216	2,911
	<u>1,216</u>	<u>2,911</u>

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 December 2002

## 7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £000	2001 £000
Bank interest receivable	518	209

## 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £000	2001 £000 As restated See Note 2
United Kingdom corporation tax at 30% (2001 – 30%) based on the profit/(loss) for the year:		
Current tax charge / (credit)	1,470	1,429
Over provision for earlier years	542	(78)
	2,012	1,351
Deferred Tax		
- current year on timing differences	(66)	53
	1,946	1,404

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30%. The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2002 £'000	2001 £'000 As restated See Note 2
Profit on ordinary activities before taxation	5,120	6,902
Tax on profit on ordinary activities at standard rate	1,536	2,071
Factors affecting charge for the period:		
Timing Differences	(66)	53
Losses brought forward	0	(695)
Prior year adjustments	542	(78)
Current tax charge for the year	2,012	1,351

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 December 2002

## 9. TANGIBLE FIXED ASSETS

	Contract hire and leasing vehicles £000	Total £000
<b>Cost</b>		
At 1 January 2002	62,499	62,499
Additions	-	-
Disposals	(33,032)	(33,032)
At 31 December 2002	29,467	29,467
<b>Accumulated depreciation</b>		
At 1 January 2002	31,956	31,956
Charge for the year	4,557	4,557
Disposals	(19,972)	(19,972)
At 31 December 2002	16,541	16,541
<b>Net book value</b>		
At 31 December 2002	12,926	12,926
At 31 December 2001	30,543	30,543

The net book value of tangible fixed assets includes an amount of £12,926,000 (2001: £30,543,000) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge on these assets is £4,557,000 (2001: £10,334,000).

## 10. DEBTORS

	2002 £000	2001 £000 as restated (note 2)
Investment in finance leases	211	497
Trade debtors	1,204	1,204
Prepayments and accrued income	163	400
Deferred tax asset	883	817
	2,461	2,918
	£000	
<b>Deferred taxation</b>		
Balance at 1 January 2002	817	
Provision - current year	66	
Balance at 31 December 2002	883	

The deferred tax asset represents future capital allowances, which will reduce the taxable profits arising on trading activities. The asset has been recognised at the directors believe that the company will make suitable profits against which these allowances can be offset in the foreseeable future.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £000	2001 £000
Payments received on account	532	1,013
Amounts owed to group undertakings	17,521	12,890
Corporation tax	2,733	721
Other creditors	1,557	1,632
Accruals and deferred income	81	1,325
Finance lease and hire purchase obligations	5,722	14,829
	<u>28,146</u>	<u>32,410</u>

## 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £000	2001 £000
Finance leases and hire purchase obligations	<u>1,638</u>	<u>10,655</u>

## 13. BORROWINGS

	2002 £000	2001 £000
Analysis of repayments:		
Finance leases and hire purchase obligations:		
In one year or less or on demand	5,723	14,829
In more than one year but not more than two years	1,570	10,655
In more than one year but not more than five years	68	-
	<u>7,361</u>	<u>25,484</u>

Loans in respect of vehicles on lease are secured by a charge on the individual vehicles. Interest is at a fixed rate with a similar charge forming part of the customer's lease rental. Whilst loans for vehicles on lease are repayable on demand, in practice they are paid over the period of hire. The aggregate amount in respect of which security has been given is £7,361,000 (2001: £25,484,000).

## 14. CALLED UP SHARE CAPITAL

	2002 £000	2001 £000
<b>Authorised</b>		
500,000 Ordinary shares of £1 each	<u>500</u>	<u>500</u>
<b>Allotted, called up and fully paid</b>		
250,000 Ordinary shares of £1 each	<u>250</u>	<u>250</u>

NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 December 2002

## 15. PROFIT AND LOSS ACCOUNT

	£000
Balance at 1 January 2002	(4,052)
Prior period adjustment – as at 1 January 2001	870
Prior period adjustment – year to 31 December 2001	(53)
Balance at 1 January 2002 as restated	(3,235)
Retained profit for the year	3,174
Balance at 31 December 2002	(61)

## 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £000	2002 £000	2001 £000 As restated See note 2	2001 £000 As restated See note 2
Profit for the financial year		3,174		5,498
Opening shareholders' deficit as previously reported	(3,802)		(9,353)	
Prior period adjustment (see note 2)	817		870	
Opening shareholders' deficit as restated		(2,985)		(8,483)
Closing shareholders' funds/(deficit)		189		(2,985)

## 17. FINANCIAL COMMITMENTS

## Operating lease commitments

	Land and Buildings 2002 £000	Land and Buildings 2001 £000
Leases which expire:		
Within one year	-	-
Within two to five years	-	-
After five years	42	42
	42	42

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2002**

**18. ULTIMATE AND IMMEDIATE PARENT COMPANY**

The company's immediate parent company is Bondco 700. The company's ultimate parent company and controlling party is General Motors Corporation. This is the largest group company for which consolidated accounts are prepared. The smallest group company for which consolidated accounts are prepared is Interleasing (UK) Limited.

Copies of General Motor Corporation's group accounts may be obtained from General Motors Corporation, 100 Renaissance Centre, PO Box 100, Detroit, Michigan, 48265-100, United States of America.

Transactions with other companies in the group are not specifically disclosed as the company has taken advantage of the exemption available under FRS 8 "Related Party Disclosures" for wholly owned subsidiaries.