

REGISTRAR

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2006  
FOR  
FLEETEUROPE PLC

Benjamin Kay & Brummer  
Chartered Accountants  
Registered Auditors  
York House  
Empire Way  
Wembley  
Middlesex HA9 0QL

WEDNESDAY



A42 \*A5SSONGQ\* 28/02/2007 188  
COMPANIES HOUSE

**FLEETEUROPE PLC**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2006**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Cash Flow Statement</b>	<b>8</b>
<b>Notes to the Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>11</b>
<b>Trading and Profit and Loss Account</b>	<b>18</b>

**FLEETEUROPE PLC**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 OCTOBER 2006**

**DIRECTORS:** J H Yarroll  
T G Drane  
Mrs N J Montero

**SECRETARY:** S J F Judd

**REGISTERED OFFICE:** Kenwood House  
1 Upper Grosvenor Road  
Tunbridge Wells  
Kent  
TN1 2EL

**REGISTERED NUMBER:** 2712473 (England and Wales)

**AUDITORS:** Benjamin Kay & Brummer  
Chartered Accountants  
Registered Auditors  
York House  
Empire Way  
Wembley  
Middlesex HA9 0QL

**BANKERS:** National Westminster Bank Plc  
10 St Peter's Street  
St Albans  
Hertfordshire  
AL1 3LY

**SOLICITORS:** Keogh Caisley  
Kenwood House  
1 Upper Grosvenor Road  
Tunbridge Wells  
Kent TN1 2EL

# FLEETEUROPE PLC

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2006

The directors present their report with the financial statements of the company for the year ended 31 October 2006.

### PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of contract hire and vehicle management services.

### REVIEW OF BUSINESS

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

The year under review was challenging as expected. However, with efficient management controls in place and provision of improved customer services, the company was able to achieve better margins, resulting in improved profitability.

### Principal risks and uncertainties

The key risks to the business are competition within this market sector and reliance being placed on major customers. The directors are aware of these factors and are constantly reviewing sales strategies, with a view to providing improved services.

### DIVIDENDS

No dividends will be distributed for the year ended 31 October 2006.

### FUTURE DEVELOPMENTS

Customer base and sales activity have been increased and these are expected to produce significantly improved results for the ensuing year.

### DIRECTORS

The directors during the year under review were:

J H Yarroll  
T G Drane  
Mrs N J Montero

The beneficial interests of the directors holding office on 31 October 2006 in the issued share capital of the company were as follows:

	31.10.06	1.11.05
<b>Ordinary £1 shares</b>		
J H Yarroll	130,000	130,000
T G Drane	40,000	40,000
Mrs N J Montero	-	-

### COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's policy to maintain good relationships with its suppliers. Terms of payment are agreed with individual suppliers in advance and these terms are adhered to. The number of days purchases in trade creditors as at 31st October 2006 was 80 days (2005 - 53 days).

### FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash and various items such as trade debtors and creditors that arise directly from its operations. There were no derivative transactions during the period and the company policy is not to trade in such financial instruments.

**FLEETEUROPE PLC**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 OCTOBER 2006**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 of the profit or loss of the company for that period. In preparing these 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Benjamin Kay & Brummer, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

  
J H Yarroll - Director

26 February 2007

## **FLEETEUIROPE PLC**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF FLEETEUIROPE PLC**

We have audited the financial statements of FleetEurope Plc for the year ended 31 October 2006 on pages six to seventeen. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 Report of the Directors 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 Report of the Directors 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 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.

**FLEETEUROPE PLC**

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
FLEETEUROPE PLC**

**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 company's affairs as at 31 October 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



Benjamin Kay & Brummer  
Chartered Accountants  
Registered Auditors  
York House  
Empire Way  
Wembley  
Middlesex HA9 0QL

26 February 2007

**FLEETEUROPE PLC**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2006**

	Notes	31.10.06 £	31.10.05 £
<b>TURNOVER</b>	2	<b>2,730,754</b>	2,546,172
Cost of sales		<u>1,950,894</u>	<u>1,835,938</u>
<b>GROSS PROFIT</b>		<b>779,860</b>	710,234
<i>Administrative expenses</i>		<u>707,253</u>	<u>666,886</u>
<b>OPERATING PROFIT</b>	4	<b>72,607</b>	43,348
Interest receivable and similar income		<u>413</u>	<u>3,044</u>
		<b>73,020</b>	46,392
Interest payable and similar charges	5	<u>14,984</u>	<u>17,646</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>58,036</b>	28,746
Tax on profit on ordinary activities	6	<u>12,755</u>	<u>8,859</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><b>45,281</b></u>	<u>19,887</u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

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

The notes form part of these financial statements

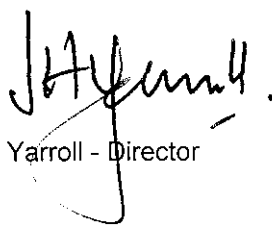


**FLEETEUROPE PLC**

**BALANCE SHEET  
31 OCTOBER 2006**

	Notes	31.10.06 £	£	31.10.05 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		<b>461,652</b>		444,982
<b>CURRENT ASSETS</b>					
Debtors	9	<b>584,422</b>		369,827	
Cash at bank and in hand		-		10,235	
		<b>584,422</b>		380,062	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<b>649,249</b>		449,609	
<b>NET CURRENT LIABILITIES</b>			<b>(64,827)</b>		(69,547)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>396,825</b>		375,435
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		<b>63,317</b>		87,208
<b>NET ASSETS</b>			<b>333,508</b>		288,227
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		<b>170,000</b>		170,000
Revaluation reserve	16		<b>12,909</b>		12,909
Profit and loss account	16		<b>150,599</b>		105,318
<b>SHAREHOLDERS' FUNDS</b>	18		<b>333,508</b>		288,227

The financial statements were approved by the Board of Directors on 26 February 2007 and were signed on its behalf by:



J H Yarroll - Director

The notes form part of these financial statements

**FLEETEUROPE PLC**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 OCTOBER 2006**

	Notes	31.10.06 £	£	31.10.05 £	£
<b>Net cash inflow from operating activities</b>	1		<b>57,761</b>		<b>245,586</b>
<b>Returns on investments and servicing of finance</b>	2		<b>(14,571)</b>		<b>(14,602)</b>
<b>Taxation</b>			<b>(8,986)</b>		<b>(33,139)</b>
<b>Capital expenditure</b>	2		<b>(30,085)</b>		<b>11,037</b>
<b>Equity dividends paid</b>			<b>-</b>		<b>(50,000)</b>
			<b>4,119</b>		<b>158,882</b>
<b>Financing</b>	2		<b>(96,015)</b>		<b>(146,369)</b>
<b>(Decrease)/Increase in cash in the period</b>			<b>(91,896)</b>		<b>12,513</b>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
(Decrease)/Increase in cash in the period			<b>(91,896)</b>		<b>12,513</b>
Cash outflow from decrease in debt and lease financing			<b>96,015</b>		<b>146,369</b>
Change in net debt resulting from cash flows			<b>4,119</b>		<b>158,882</b>
<b>Movement in net debt in the period</b>			<b>4,119</b>		<b>158,882</b>
<b>Net debt at 1 November</b>			<b>(176,787)</b>		<b>(335,669)</b>
<b>Net debt at 31 October</b>			<b>(172,668)</b>		<b>(176,787)</b>

The notes form part of these financial statements

FLEETEUROPE PLC

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2006

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

	31.10.06	31.10.05
	£	£
Operating profit	72,607	43,348
Depreciation charges	13,415	18,012
Loss on disposal of fixed assets	-	3,200
(Increase)/Decrease in debtors	(214,595)	241,130
Increase/(Decrease) in creditors	186,334	(60,104)
<b>Net cash inflow from operating activities</b>	<b><u>57,761</u></b>	<b><u>245,586</u></b>

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

	31.10.06	31.10.05
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	413	3,044
Interest paid	(14,173)	(17,646)
Interest element of hire purchase payments	(811)	-
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(14,571)</u></b>	<b><u>(14,602)</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(30,085)	(3,069)
Sale of tangible fixed assets	-	14,106
<b>Net cash (outflow)/inflow for capital expenditure</b>	<b><u>(30,085)</u></b>	<b><u>11,037</u></b>
<b>Financing</b>		
Loan repayments	(112,519)	(146,369)
Capital repayments in year	16,504	-
<b>Net cash outflow from financing</b>	<b><u>(96,015)</u></b>	<b><u>(146,369)</u></b>

The notes form part of these financial statements

**FLEETEUROPE PLC**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2006**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.11.05 £	Cash flow £	At 31.10.06 £
Net cash:			
Cash at bank and in hand	10,235	(10,235)	-
Bank overdraft	-	(81,661)	(81,661)
	<u>10,235</u>	<u>(91,896)</u>	<u>(81,661)</u>
Debt:			
Hire purchase	-	(16,504)	(16,504)
Debts falling due within one year	(99,814)	75,654	(24,160)
Debts falling due after one year	(87,208)	36,865	(50,343)
	<u>(187,022)</u>	<u>96,015</u>	<u>(91,007)</u>
Total	<u>(176,787)</u>	<u>4,119</u>	<u>(172,668)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings, and in accordance with applicable accounting standards.

**Turnover**

Turnover is recognised in the year in which hire contracts are completed.

Turnover represents amounts derived from the provision of vehicle hire and fleet management services exclusive of 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.

Freehold property	- not provided
Plant and machinery	- 20% to 25% p. a. straight line basis
Motor vehicles	- two to four years straight line basis

Freehold property is not depreciated as permitted by Financial Reporting Standard 15 on the basis that the residual value of the property is not less than that reflected within the financial statements and consequently any depreciation charge will not be material.

This represents a departure from the requirement of the Companies Act 1985 to depreciate assets. This departure is considered necessary in order to present a true and fair view.

It is not practicable to quantify the effect of this policy due to the difficulty in apportioning the cost of the property between the land and building element in order to provide an accurate basis of depreciation.

**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**

Assets acquired under finance leases and hire purchase contracts are capitalised as tangible assets where, the assets are sub leased under operating leases to customers or are acquired for the use of the company. Such assets are depreciated over their estimated useful lives. Obligations under such agreements are included within creditors net of the finance charge allocated to future periods.

The finance element of the repayment is charged to the profit and loss account constantly over the period of the obligations.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

# FLEETEUROPE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 2. TURNOVER

Turnover for the year was derived from the company's principal activities. The whole of turnover is attributable to the UK market.

Turnover includes rentals receivable in relation to operating leases amounting to £3,737 (2005 - £nil).

Turnover also includes invoices raised in respect of managed cars at cost plus administration fees.

In the opinion of the directors the disclosure of turnover by class of business would be 'seriously prejudicial' to the company and therefore this analysis has not been disclosed.

### 3. STAFF COSTS

	31.10.06	31.10.05
	£	£
Wages and salaries	466,987	430,749
Social security costs	62,012	61,670
Other pension costs	5,831	7,972
	<u>534,830</u>	<u>500,391</u>

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

	31.10.06	31.10.05
Administration staff	<u>12</u>	<u>11</u>

### 4. OPERATING PROFIT

The operating profit is stated after charging:

	31.10.06	31.10.05
	£	£
Hire of plant and machinery	887	986
Depreciation - owned assets	12,058	18,012
Depreciation - assets on hire purchase contracts	1,357	-
Loss on disposal of fixed assets	-	3,200
Auditors' remuneration	8,000	8,500
	<u>283,339</u>	<u>252,534</u>
Directors' emoluments		

Information regarding the highest paid director is as follows:

	31.10.06	31.10.05
	£	£
Emoluments etc	<u>151,834</u>	<u>151,900</u>

**FLEETEUROPE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>31.10.06</b>	31.10.05
	<b>£</b>	£
Bank loan interest	<b>8,362</b>	8,929
Other loan interest	<b>5,811</b>	8,717
Lease vehicle interest	<b>811</b>	-
	<u><b>14,984</b></u>	<u>17,646</u>

**6. TAXATION**

**Analysis of the tax charge**

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

	<b>31.10.06</b>	31.10.05
	<b>£</b>	£
Current tax:		
UK corporation tax	<u><b>12,755</b></u>	<u>8,859</u>
Tax on profit on ordinary activities	<u><b>12,755</b></u>	<u>8,859</u>

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>31.10.06</b>	31.10.05
	<b>£</b>	£
Profit on ordinary activities before tax	<u><b>58,036</b></u>	<u>28,746</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	<b>11,027</b>	5,462
Effects of:		
Expenses not deductible for tax purposes	<b>1,954</b>	2,388
losses		
Prior year adjustment	<b>127</b>	-
Depreciation charge	<b>2,549</b>	3,422
Capital allowances	<b>(2,902)</b>	(2,285)
Effect of marginal relief	<b>-</b>	(128)
Current tax charge	<u><b>12,755</b></u>	<u>8,859</u>

**7. DIVIDENDS**

	<b>31.10.06</b>	31.10.05
	<b>£</b>	£
Ordinary shares of £1 each		
Final	<u><b>-</b></u>	<u>50,000</u>

**FLEETEUROPE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>				
At 1 November 2005	422,650	93,540	4,266	520,456
Additions	-	13,698	16,387	30,085
	<u>422,650</u>	<u>107,238</u>	<u>20,653</u>	<u>550,541</u>
At 31 October 2006	422,650	107,238	20,653	550,541
<b>DEPRECIATION</b>				
At 1 November 2005	-	72,826	2,648	75,474
Charge for year	-	10,442	2,973	13,415
	<u>-</u>	<u>83,268</u>	<u>5,621</u>	<u>88,889</u>
At 31 October 2006	-	83,268	5,621	88,889
<b>NET BOOK VALUE</b>				
At 31 October 2006	<u>422,650</u>	<u>23,970</u>	<u>15,032</u>	<u>461,652</u>
At 31 October 2005	<u>422,650</u>	<u>20,714</u>	<u>1,618</u>	<u>444,982</u>

Cost or valuation at 31 October 2006 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2002	12,909	-	-	12,909
Cost	409,741	107,238	20,653	537,632
	<u>422,650</u>	<u>107,238</u>	<u>20,653</u>	<u>550,541</u>

The freehold property was last revalued in July 2002. As permitted by Financial Reporting Standard 15, the directors do not wish to revalue the freehold property further.

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

	Motor vehicles £
<b>COST OR VALUATION</b>	
Additions	16,387
	<u>16,387</u>
At 31 October 2006	16,387
<b>DEPRECIATION</b>	
Charge for year	1,357
	<u>1,357</u>
At 31 October 2006	1,357
<b>NET BOOK VALUE</b>	
At 31 October 2006	<u>15,030</u>



**FLEETEUROPE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**8. TANGIBLE FIXED ASSETS - continued**

The cost of fixed assets includes £16,387 (2005-£nil) in respect of assets acquired for the purpose of sub-leasing under operating leases.

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

	<b>31.10.06</b>	31.10.05
	£	£
Trade debtors	<b>577,999</b>	365,319
Other debtors	<b>1,177</b>	-
Prepayments and accrued income	<b>5,246</b>	4,508
	<u><b>584,422</b></u>	<u>369,827</u>

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

	<b>31.10.06</b>	31.10.05
	£	£
Bank loans and overdrafts (see note 12)	<b>105,821</b>	27,000
Other loans (see note 12)	-	72,814
Hire purchase contracts (see note 13)	<b>3,530</b>	-
Trade creditors	<b>447,315</b>	269,038
Tax	<b>12,628</b>	8,859
PAYE and national insurance	<b>16,800</b>	15,922
VAT	<b>38,626</b>	31,511
Other creditors	<b>10,713</b>	10,657
Accrued expenses	<b>13,816</b>	13,808
	<u><b>649,249</b></u>	<u>449,609</u>

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

	<b>31.10.06</b>	31.10.05
	£	£
Bank loans (see note 12)	<b>50,343</b>	87,208
Hire purchase contracts (see note 13)	<b>12,974</b>	-
	<u><b>63,317</b></u>	<u>87,208</u>

**12. LOANS**

An analysis of the maturity of loans is given below:

	<b>31.10.06</b>	31.10.05
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<b>81,661</b>	-
Bank loans - less than 1 year	<b>24,160</b>	27,000
Other loans	-	72,814
	<u><b>105,821</b></u>	<u>99,814</u>

**FLEETEUROPE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**12. LOANS - continued**

	<b>31.10.06</b>	31.10.05
	<b>£</b>	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<b><u>24,160</u></b>	<u>27,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<b><u>26,183</u></b>	<u>60,208</u>

**13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	<b>31.10.06</b>	31.10.05
	<b>£</b>	£
Net obligations repayable:		
Within one year	<b>3,530</b>	-
Between one and five years	<b><u>12,974</u></b>	<u>-</u>
	<b><u>16,504</u></b>	<u>-</u>

**14. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>31.10.06</b>	31.10.05
	<b>£</b>	£
Bank overdraft	<b>81,661</b>	-
Bank loans	<b>74,503</b>	114,208
Other loans	<b>-</b>	72,814
	<b><u>156,164</u></b>	<u>187,022</u>

The bank loans and overdrafts are secured by a fixed and a floating charge held over all current and future assets of the company under a mortgage debenture. The bank also holds a first legal mortgage debenture over the company's freehold property.

Other loans amounting to £nil (2005 - £72,814) were secured by way of a second legal charge over the company's freehold property and a fixed charge over the other present and future fixed assets.

**15. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	<b>31.10.06</b>	31.10.05
			<b>£</b>	£
250,000	Ordinary	£1	<b><u>250,000</u></b>	<u>250,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	<b>31.10.06</b>	31.10.05
			<b>£</b>	£
170,000	Ordinary	£1	<b><u>170,000</u></b>	<u>170,000</u>

**FLEETEUROPE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**16. RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 November 2005	105,318	12,909	118,227
Profit for the year	45,281		45,281
	<hr/>	<hr/>	<hr/>
At 31 October 2006	150,599	12,909	163,508
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**17. RELATED PARTY DISCLOSURES**

The company is controlled by Mr J H Yarroll by virtue of a majority shareholding.

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.10.06 £	31.10.05 £
Profit for the financial year	45,281	19,887
Dividends	-	(50,000)
	<hr/>	<hr/>
<b>Net addition/(reduction) to shareholders' funds</b>	<b>45,281</b>	<b>(30,113)</b>
Opening shareholders' funds	288,227	318,340
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>333,508</b>	<b>288,227</b>
	<hr/> <hr/>	<hr/> <hr/>
Equity interests	333,508	288,227
	<hr/> <hr/>	<hr/> <hr/>

## FLEETEUROPE PLC

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2006**

	31.10.06		31.10.05	
	£	£	£	£
<b>Sales</b>		<b>2,730,754</b>		2,546,172
<b>Cost of sales</b>				
Purchases	1,949,537		1,835,938	
Depreciation of tangible fixed assets	1,357		-	
		<u>1,950,894</u>		<u>1,835,938</u>
<b>GROSS PROFIT</b>		<b>779,860</b>		710,234
<b>Other income</b>				
Deposit account interest	413		2,907	
Other interest	-		137	
		<u>413</u>		<u>3,044</u>
		<b>780,273</b>		713,278
<b>Expenditure</b>				
Directors' salaries	256,526		230,199	
Directors' life insurance cover	4,421		8,097	
Directors' pensions paid	2,951		1,310	
Wages	210,461		200,550	
Social security	57,591		53,573	
Pensions	5,831		7,972	
Hire of plant and machinery	887		986	
Staff recruitment costs	5,972		1,003	
Rates and service charges	15,499		14,639	
Insurance	6,968		12,172	
Light and heat	2,841		1,600	
Telephone	10,413		7,575	
Post and stationery	5,834		7,700	
Marketing and advertising	589		645	
Motor expenses	56,467		46,386	
Repairs and renewals	7,676		7,105	
Computer software & maintenance	21,022		17,013	
Subscriptions	2,674		2,061	
Sundry expenses	2,890		3,577	
Accountancy	1,000		1,500	
Legal and professional fees	1,377		2,642	
Auditors' remuneration	8,000		8,500	
Entertainment	3,111		2,957	
Bad debts	-		2,249	
		<u>691,001</u>		<u>642,011</u>
<b>Carried forward</b>		<b>89,272</b>		71,267

This page does not form part of the statutory financial statements

**FLEETEUROPE PLC**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2006**

	31.10.06		31.10.05	
	£	£	£	£
Brought forward		89,272		71,267
<b>Finance costs</b>				
Bank charges	4,194		3,663	
Bank loan interest	8,362		8,929	
Other loan interest	5,811		8,717	
Lease vehicle interest	811		-	
		<u>19,178</u>		<u>21,309</u>
		70,094		49,958
<b>Depreciation</b>				
Plant and machinery	10,442		14,812	
Motor vehicles	1,616		3,200	
		<u>12,058</u>		<u>18,012</u>
		58,036		31,946
<b>Loss on disposal of fixed assets</b>				
Motor vehicles		-		3,200
<b>NET PROFIT</b>		<u><u>58,036</u></u>		<u><u>28,746</u></u>

This page does not form part of the statutory financial statements