

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2003
FOR
FLEETEUROPE PLC**

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



FLEETEUROPE PLC

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FOR THE YEAR ENDED 31 OCTOBER 2003**

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FLEETEUROPE PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2003

DIRECTORS:	J H Yarroll T G Drane
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 2003

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

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS

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

The company continues to reap the benefit of its investment in information technology reported in previous years, this combined with greater focus upon the daily rental business and continued downsizing of its lease purchase business has enabled the company to improve efficiency and increase customer service, leading to increased margins, resulting in a significant improvement in profitability.

DIVIDENDS

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

FUTURE DEVELOPMENTS

The directors view the current economic environment as challenging, but the outlook for the year ending 31st October 2004 remains positive and they are confident of reporting on continued good trading, with increases in both revenue and profit through continued emphasis on provision of fleet maintenance and daily rental services.

DIRECTORS

The directors during the year under review were:

J H Yarroll	
S H Gunn	- resigned 30.11.02
T G Drane	

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

	31.10.03	1.11.02
Ordinary £1 shares		
J H Yarroll	130,000	130,000
T G Drane	40,000	20,000

Mr S H Gunn resigned on 30th November 2002 and transferred his entire shareholding to Mr T G Drane.

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 2003 was 100 days (2002 - 118 days).

FLEETEUROPE PLC

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2003**

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

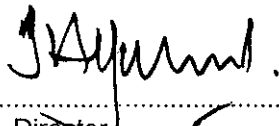
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

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

Date: 27 May 2004

FLEETEUROPE PLC

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF FLEETEUROPE PLC

We have audited the financial statements of FleetEurope Plc for the year ended 31 October 2003 on pages five to nineteen. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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 on pages two and three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors 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 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 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 October 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

Date: 27 May 2004

FLEETEUROPE PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003**

	Notes	2003 £	2002 £
TURNOVER	2	2,932,483	3,056,820
Cost of sales		<u>2,134,140</u>	<u>2,312,136</u>
GROSS PROFIT		798,343	744,684
Administrative expenses		<u>627,712</u>	<u>575,507</u>
OPERATING PROFIT	4	170,631	169,177
Interest receivable and similar income		<u>1,770</u>	574
		172,401	169,751
Interest payable and similar charges	5	<u>34,334</u>	<u>54,078</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		138,067	115,673
Tax on profit on ordinary activities	6	<u>10,017</u>	357
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>128,050</u>	<u>115,316</u>
RETAINED PROFIT FOR THE YEAR		<u>128,050</u>	<u>115,316</u>

CONTINUING OPERATIONS

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

The notes form part of these financial statements

FLEETEUROPE PLC

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 OCTOBER 2003**

	2003	2002
	£	£
PROFIT FOR THE FINANCIAL YEAR	128,050	115,316
Revaluation reserve	-	12,909
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>128,050</u>	<u>128,225</u>

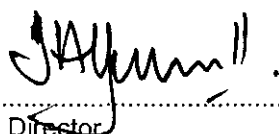
The notes form part of these financial statements

FLEETEUROPE PLC

**BALANCE SHEET
31 OCTOBER 2003**

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	604,760	710,097
CURRENT ASSETS			
Debtors	8	533,130	527,316
Cash at bank and in hand		162,051	291,585
		<u>695,181</u>	<u>818,901</u>
CREDITORS			
Amounts falling due within one year	9	805,667	1,262,693
NET CURRENT LIABILITIES		<u>(110,486)</u>	<u>(443,792)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		494,274	266,305
CREDITORS			
Amounts falling due after more than one year	10	(322,463)	(224,424)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(1,880)	-
		<u>169,931</u>	<u>41,881</u>
CAPITAL AND RESERVES			
Called up share capital	15	170,000	170,000
Revaluation reserve	16	12,909	12,909
Profit and loss account	16	(12,978)	(141,028)
SHAREHOLDERS' FUNDS	19	<u>169,931</u>	<u>41,881</u>

ON BEHALF OF THE BOARD:



.....
J H Yarroll - Director

Approved by the Board on 27 May 2004

The notes form part of these financial statements

FLEETEUROPE PLC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2003**

	Notes	£	2003	£	£	2002	£
Net cash inflow from operating activities	1			42,218			307,272
Returns on investments and servicing of finance	2			(32,564)			(53,504)
Taxation				(24)			(4,557)
Capital expenditure	2			9,464			119,695
				<u>19,094</u>			<u>368,906</u>
Financing	2			(188,111)			(312,649)
(Decrease)/Increase in cash in the period				<u>(169,017)</u>			<u>56,257</u>
Reconciliation of net cash flow to movement in net debt	3						
(Decrease)/Increase in cash in the period			(169,017)			56,257	
Cash outflow from decrease in debt and lease financing			<u>188,111</u>			<u>312,649</u>	
Change in net debt resulting from cash flows				<u>19,094</u>			<u>368,906</u>
Movement in net debt in the period				<u>19,094</u>			<u>368,906</u>
Net debt at 1 November				<u>(324,865)</u>			<u>(693,771)</u>
Net debt at 31 October				<u>(305,771)</u>			<u>(324,865)</u>

The notes form part of these financial statements

FLEETEUROPE PLC

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2003**

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

	2003 £	2002 £
Operating profit	170,631	169,177
Depreciation charges	89,699	138,760
Loss on disposal of fixed assets	6,174	23,921
Increase in debtors	(5,814)	(23,291)
Decrease in creditors	(218,472)	(1,295)
Net cash inflow from operating activities	<u><u>42,218</u></u>	<u><u>307,272</u></u>

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	1,770	574
Interest paid	(11,758)	(13,167)
Interest element of hire purchase payments	(22,576)	(40,911)
Net cash outflow for returns on investments and servicing of finance	<u><u>(32,564)</u></u>	<u><u>(53,504)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(134,193)	(50,519)
Sale of tangible fixed assets	143,657	170,214
Net cash inflow for capital expenditure	<u><u>9,464</u></u>	<u><u>119,695</u></u>
Financing		
New loans in year	30,000	-
Bank loan repayments	(33,739)	(38,198)
Capital repayments in year	(184,372)	(274,451)
Net cash outflow from financing	<u><u>(188,111)</u></u>	<u><u>(312,649)</u></u>

The notes form part of these financial statements

FLEETEUROPE PLC

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2003**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.02 £	Cash flow £	At 31.10.03 £
Net cash:			
Cash at bank and in hand	291,585	(129,534)	162,051
Bank overdraft	(141,540)	(39,483)	(181,023)
	<u>150,045</u>	<u>(169,017)</u>	<u>(18,972)</u>
Debt:			
Hire purchase	(283,371)	183,959	(99,412)
Debts falling due within one year	(27,000)	(6,996)	(33,996)
Debts falling due after one year	(164,539)	11,148	(153,391)
	<u>(474,910)</u>	<u>188,111</u>	<u>(286,799)</u>
Total	<u><u>(324,865)</u></u>	<u><u>19,094</u></u>	<u><u>(305,771)</u></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 represents amounts derived from the provision of goods and services after deduction 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 33.33% 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 requirement to apportion the value 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 £84,664 (2002 - £183,789).

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

	2003 £	2002 £
Wages and salaries	369,299	325,014
Social security costs	52,888	45,860
Other pension costs	4,703	3,150
	<u>426,890</u>	<u>374,024</u>

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

	2003	2002
Administration staff	<u>12</u>	<u>11</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2003 £	2002 £
Hire of plant and machinery	14,256	16,236
Other operating leases	3,400	-
Depreciation - owned assets	24,516	20,869
Depreciation - assets on hire purchase contracts	65,183	117,892
Loss on disposal of fixed assets	6,174	23,921
Auditors remuneration	8,500	8,000
	<u>230,764</u>	<u>220,191</u>

Directors' emoluments

2003	2002
<u>230,764</u>	<u>220,191</u>

Information regarding the highest paid director is as follows:

	2003 £	2002 £
Emoluments etc	<u>145,153</u>	<u>114,383</u>

FLEETEUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank loan interest	11,726	13,167
Other Interest	32	-
Lease vehicle interest	22,576	40,911
	<u>34,334</u>	<u>54,078</u>

6. TAXATION

Analysis of the tax charge

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

	2003 £	2002 £
Current tax:		
UK corporation tax	8,137	24
Prior year adjustment	-	333
	<u>8,137</u>	<u>357</u>
Total current tax	8,137	357
Deferred tax	1,880	-
	<u>10,017</u>	<u>357</u>
Tax on profit on ordinary activities	10,017	357

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

Factors affecting the tax charge

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

	2003 £	2002 £
Profit on ordinary activities before tax	138,067	115,673
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2002 - 20%)	26,233	23,135
Effects of:		
Current year tax charge	-	24
Expenses not deductible for tax purposes	1,570	5,292
Tax relief on previous years' losses	(20,663)	(24,972)
Prior year adjustment	-	333
Depreciation charge	17,043	27,752
Capital allowances	(16,046)	(31,207)
Current tax charge	<u>8,137</u>	<u>357</u>

FLEETEUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 November 2002	405,000	53,823	526,789	985,612
Additions	14,543	28,770	90,880	134,193
Disposals	-	-	(297,790)	(297,790)
	<u>419,543</u>	<u>82,593</u>	<u>319,879</u>	<u>822,015</u>
At 31 October 2003	<u>419,543</u>	<u>82,593</u>	<u>319,879</u>	<u>822,015</u>
DEPRECIATION				
At 1 November 2002	-	28,517	246,998	275,515
Charge for year	-	17,158	72,541	89,699
Eliminated on disposal	-	-	(147,959)	(147,959)
	<u>-</u>	<u>45,675</u>	<u>171,580</u>	<u>217,255</u>
At 31 October 2003	<u>-</u>	<u>45,675</u>	<u>171,580</u>	<u>217,255</u>
NET BOOK VALUE				
At 31 October 2003	<u>419,543</u>	<u>36,918</u>	<u>148,299</u>	<u>604,760</u>
At 31 October 2002	<u>405,000</u>	<u>25,306</u>	<u>279,791</u>	<u>710,097</u>

Cost or valuation at 31 October 2003 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2002	12,909	-	-	12,909
Cost	406,634	82,593	319,879	809,106
	<u>419,543</u>	<u>82,593</u>	<u>319,879</u>	<u>822,015</u>

The freehold property was revalued in July 2002. In the opinion of the directors, the market value at the year end is not materially different from that disclosed above.

FLEETEUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS

7. TANGIBLE FIXED ASSETS - continued

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

	Motor vehicles £
COST OR VALUATION	
At 1 November 2002	522,994
Disposals	(245,908)
At 31 October 2003	<u>277,086</u>
DEPRECIATION	
At 1 November 2002	246,198
Charge for year	65,183
Eliminated on disposal	(142,629)
At 31 October 2003	<u>168,752</u>
NET BOOK VALUE	
At 31 October 2003	<u>108,334</u>
At 31 October 2002	<u>276,796</u>

The cost of fixed assets includes £277,086 (2002 - £522,994) in respect of assets acquired for the purpose of sub-leasing under operating leases.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	525,411	502,361
Other debtors	1,750	2,250
Directors' current accounts	-	13,981
Tax	4,224	4,224
Prepayments and accrued income	1,745	4,500
	<u>533,130</u>	<u>527,316</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts (see note 11)	215,019	168,540
Hire purchase contracts (see note 12)	99,412	223,486
Trade creditors	403,145	709,672
Tax	8,137	24
PAYE and national insurance	14,591	11,448
VAT	30,887	50,720
Other creditors	12,609	11,285
Accrued expenses	21,867	87,518
	<u>805,667</u>	<u>1,262,693</u>

FLEETEUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS

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

	2003 £	2002 £
Bank loans (see note 11)	153,391	164,539
Hire purchase contracts (see note 12)	-	59,885
Trade creditors	169,072	-
	<u>322,463</u>	<u>224,424</u>

Trade creditor amounting to £263,567 is repayable by way of a loan agreement at an interest rate of 2.25% above the base rate, in monthly instalments as follows:

Less than 1 year	£94,495
Between 1-2 years	£169,072
	<u>£263,567</u>

11. LOANS

An analysis of the maturity of loans is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	181,023	141,540
Bank loans - less than 1 year	33,996	27,000
	<u>215,019</u>	<u>168,540</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	33,996	27,000
	<u>33,996</u>	<u>27,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	90,595	81,000
	<u>90,595</u>	<u>81,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than five years by instalments	28,800	56,539
	<u>28,800</u>	<u>56,539</u>

FLEETEUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2003	2002
	£	£
Net obligations repayable:		
Within one year	99,412	223,486
Between one and five years	-	59,885
	<u>99,412</u>	<u>283,371</u>

The following payments are committed to be paid within one year:

	Operating leases	
	2003	2002
	£	£
Expiring:		
Between one and five years	-	17,891
	<u>-</u>	<u>17,891</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2003	2002
	£	£
Bank overdraft	181,023	141,540
Bank loans	187,387	191,539
Trade Creditors	263,567	-
	<u>631,977</u>	<u>333,079</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.

Trade creditors amounting to £263,567 are secured by way of a second legal charge over the company's freehold property.

14. PROVISION FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred tax	1,880	-
	<u>1,880</u>	<u>-</u>

FLEETEUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS

14. PROVISION FOR LIABILITIES AND CHARGES - continued

	Deferred tax £
Accelerated capital allowances	1,880
Balance at 31 October 2003	<u>1,880</u>

15. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value: £1	2003 £	2002 £
250,000	Ordinary		<u>250,000</u>	<u>250,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2003 £	2002 £
170,000	Ordinary		<u>170,000</u>	<u>170,000</u>

16. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 November 2002	(141,028)	12,909	(128,119)
Retained profit for the year	128,050	-	128,050
At 31 October 2003	<u>(12,978)</u>	<u>12,909</u>	<u>(69)</u>

17. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31 October 2003:

	£
T G Drane	
Balance outstanding at start of year	15,490
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>15,490</u>

J H Yarroll	
Balance outstanding at start of year	1,407
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>1,407</u>

Directors' loans were repaid on 30th November 2002. No interest was charged on those loans.

FLEETEUROPE PLC

NOTES TO THE FINANCIAL STATEMENTS

18. RELATED PARTY DISCLOSURES

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

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	128,050	115,316
Other recognised gains and losses relating to the year (net)	-	12,909
Net addition to shareholders' funds	128,050	128,225
Opening shareholders' funds	41,881	(86,344)
Closing shareholders' funds	169,931	41,881
Equity interests	169,931	41,881