DIAL CONTRACTS LIMITED

DIRECTORS' REPORT & ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

Company Registration Number : 707749

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2003
CONTENTS

DIAL CONTRACTS LIMITED
REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the company continued to be vehicle leasing and fleet management.
The company operates several labels in niche markets and these enjoy strong positions in their own specific markets. The company remains committed to profitable growth and continues its program of strategic activities to help achieve this objective.

RESULTS AND DIVIDENDS

The company's profit and loss account is shown on page 5.
A dividend of £1,000,000 is proposed (2002: £3,500,000).

DIRECTORS

The directors during the year were :

K McNally (appointed 3rd February 2003)
J D Boon
HM Thomas (resigned 7th May 2003)

There are no directors' interests requiring disclosure under the Companies Act 1985.

EMPLOYEES

The directors recognise the importance of human resources. Practices to promote good communications and relations with employees include the use of team briefings, quarterly staff meetings and annual publication of a strategy document. The company continues to give full and fair consideration to applications from disabled persons.

(continued on page 3)

DIAL CONTRACTS LIMITED
REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITY FOR THE ACCOUNTS

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 group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company will be proposed at the forthcoming Annual General Meeting.

POST BALANCE SHEET EVENT

On 21/04/04, ABN AMRO and a consortium consisting of the Volkswagen Group (50%), Olyan Group (25%) and *Mubadala Development Company (25%) reached an agreement on the transfer of all shares in* LeasePlan Corporation N.V. Further information is contained in the LeasePlan Corporation N.V. 2003 report.

By order of the Board

EP Kirkwood

E P Kirkwood
Secretary
Date: 9 July 2004

165 Bath Road
Slough
Berks SL1 4AA

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DIAL CONTRACTS LIMITED

We have audited the accounts on pages 5 to 15.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibility of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3 the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 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 group is not disclosed.

Basis of opinion

We conducted our audit in accordance with 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 group'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 2003 and the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Date: 9 July 2004

8 Salisbury Square
London EC4Y 8BB

DIAL CONTRACTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2003

	Note	2003 £'000	2002 £'000
Turnover	2a	147,771	153,385
Cost of sales	4	(109,751)	(122,829)
Gross Profit		38,020	30,556
Administrative expenses		(17,730)	(17,951)
Profit on ordinary activities before taxation	5	20,290	12,605
Taxation	7	(6,991)	(3,811)
Profit for the year		13,299	8,794
Dividend	8	(1,000)	(3,500)
Retained profit for the year		12,299	5,294
Retained profit brought forward	13	32,298	27,004
Retained profit carried forward		44,597	32,298

There are no other gains or losses other than those recognised in the profit and loss account.
The results reflect the continuing operations of the business.
The notes on pages 7 to 15 form part of these accounts.

DIAL CONTRACTS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2003

	Note	2003 £'000	2002 £'000
ASSETS			
Fixed assets			
Tangible assets:			
Leased to customers	9	275,664	278,710
		275,664	278,710
Investments	10	6	6
Current assets			
Stock	11	2,663	2,844
Debtors: Amounts falling due within one year	12	68,386	71,341
Debtors: Amounts falling due after more than one year	12	90,601	69,433
		158,987	140,774
Cash at Bank		190	-
		437,510	422,334
LIABILITIES			
Capital and reserves			
Called-up share capital	13	222	222
Share premium	13	4,403	4,403
Profit and loss account		44,597	32,298
Equity shareholders' funds	13	49,222	36,923
Provision for liabilities and charges	14	-	1,800
Creditors: Amounts falling due within one year	15	376,735	367,856
Creditors: Amounts falling due after one year	15	11,553	15,755
		437,510	422,334

The notes on pages 7 to 15 form part of these accounts.

The accounts were approved by the Board of Directors on 9/4/04 and signed on its behalf by:

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J D Boon

Director

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2003
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) Basis of preparation

The accounts have been prepared in accordance with the historical cost accounting conventions and applicable accounting standards.

The accounts have been prepared in compliance with the Statement of Recommended Accounting Practice issued by the Finance and Leasing Association.

The company has taken advantage of the exemption permitted under the Companies Act not to prepare consolidated financial statements, as it is a wholly owned subsidiary of Inula Holding UK Limited where group accounts are prepared.

b) Income recognition

Finance lease and lease purchase contracts

Finance income generated by an asset is the difference between the cost of an asset and the lease rentals received. Finance income is credited to the profit and loss account in proportion to the reducing net investment in the asset. Net investment in an asset is shown as a debtor on the balance sheet.

Operating leases

Rentals received are recognised on a straight line basis over the life of the lease.

Management and administration fees charged are also credited to the profit and loss account.

c) Maintenance income and costs

Maintenance costs are charged directly to the profit and loss account as they become due together with the corresponding income. For closed calculation contracts the net maintenance income is recognised over the life of the contract using a prudent estimate of the expected maintenance results per vehicle.With open calculation contracts, at the end of the lease term, the net balance is settled with the client in line with their contractual arrangement or taken to the profit and loss account. The difference between maintenance income earned to date and maintenance rentals received is held on the balance sheet as deferred income. Immediate provision is made where an overall loss is anticipated on the portfolio.

Estimation techniques

In order to calculate the required provision for losses on the portfolio and the maintenance income expected to arise over the life of the closed calculation contracts, estimations are made in respect of the total contract costs and the net maintenance surplus by vehicle based upon the most recent maintenance experience and projected maintenance prices.

d) Depreciation

Assets leased to customers

Operating leases are depreciated using the annuity method down to their anticipated residual value over the period of the lease. The annuity method allocates depreciation to each period such that the total value of interest and depreciation in any period is a constant percentage of income, thus resulting in a consistent profit margin over the period of the lease.

Residual values

Residual value exposure occurs due to the uncertain nature of the value of an asset at the end of an agreement. Throughout the life of an asset its residual value will fluctuate because of the uncertainty of the future market for that asset as well as general economic conditions.

Any permanent impairment in the residual value of an asset is immediately charged to the profit and loss account.

Future residual values are constantly monitored so as to identify any impairment required, by reference to the company's past history for residual values and industry projections of the likely future market for each group of assets.

e) Leases as lessee

Operating leases

Operating lease rentals payable are charged to the profit and loss account evenly over the length of the lease.

f) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

1. ACCOUNTING POLICIES, continued

g) Pension costs

The company operates a defined contribution scheme and a scheme providing benefits based on final pensionable

The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund (note 17). The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The assets of the defined benefit scheme are held separately from those of the company (note 17). Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

h) Stock

The stock is valued at lower of cost or net realisable value.

i) Investments

In the company's financial statements, investments in subsidiary undertakings and associates are stated at cost less amounts written off.

j) Financial instruments

The company has commitments under interest rate swaps to hedge against exposure to interest rate risk. Cashflows arising under the hedge contracts are accounted for on an accruals basis so as to match their effect with the amounts payable on the underlying borrowing (see note 16).

k) Bad debts

The company has an ongoing policy for monitoring the credit quality of its portfolio and for making provision for losses inherent in credit exposures.

Specific provision is made for bad debts as they arise taking into account possible recoveries from the customer and sale proceeds of the asset. In addition, a general provision is made to cover likely future losses on doubtful debts not specifically identified but known, from experience, to exist at the balance sheet date.

l) Commissions

Commissions incurred in arranging new contracts are capitalised and charged to the profit and loss account over the estimated average life of these contracts.

Estimation techniques

The estimated average life of these contracts is based on historical data and the average length of the contracts.

m) Initial Costs

Income is recognised up-front to cover the initial costs incurred in arranging new contracts.

Estimation techniques

The income recognised up-front is estimated as the average incremental costs that are associated with arranging contracts.

2. TURNOVER

a) Turnover is the aggregate of :

Finance leases:	as disclosed in note 1b)
Operating leases:	as disclosed in note 1b)
Fleet services:	*the total amounts invoiced to customers excluding value added tax*

Turnover and cost of sales for the year ended 31 December 2002 have both reduced by £31,222,000 in order to adjust for an incorrect gross up. This has not resulted in any impact to the net profit and loss account for that year.

b) Rentals receivable	**2003**	**2002**
	£'000	**£'000**
The aggregate rentals receivable for the year for operating leases	120,066	120,774

All of the group turnover arose in the UK.

c) Assets acquired	**£'000**	**£'000**
The cost of assets acquired in the year for the purpose of finance leasing and lease purchase contracts was	84,605	54,201

3. STAFF NUMBERS AND COSTS

The staff of the company have contracts with Lease Plan UK Limited and their costs are borne by the group. The gross cost allocated to these staff during the year was £6,790,000(2002: £7,600,000)

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2003
NOTES TO THE ACCOUNTS

4 . COST OF SALES

a) Cost of sales

In relation to finance leases and hire purchase contracts, cost of sales represents interest and similar costs; in relation to operating leases, cost of sales also reflects running expenses and amortisation of the assets computed in a manner calculated to give effect to the income recognition policy described in note 1. Cost of sales for operating leases also includes provisions arising on the permanent impairment in the residual value of an asset.

b) Interest payable	**2003**	**2002**
	£'000	**£'000**
On bank overdraft and loans repayable within five years:		
to group undertakings	24,849	20,187

As the company's business is mainly concerned with the provision of financial services, interest payable has been included in "Cost of sales" in the profit and loss account.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**2003**	**2002**
This is stated after charging the following:	**£'000**	**£'000**
Depreciation of tangible fixed assets leased to customers	68,978	87,408
Amount charged in the year for rental on operating leases	707	736

The audit fees have been met by LeasePlan UK Limited and included within the Inula Holdings UK Limited group accounts.

During the year changes to accounting estimates were made; the period used for amortising commissions incurred in arranging new contracts was increased, the estimation of initial costs incurred in setting up new contracts was reduced and the estimates used for recognising maintenance income was revised in line with recent history.

The revisions were retrospectively applied resulting in a credit of £1,969,000 before tax and £1,378,000 after tax being included in relation to retrospective impact.

6. DIRECTORS' EMOLUMENTS

In the year ended 31 December 2003, the directors received no remuneration for their services to the company.

7. TAXATION	**2003**	**2002**
Analysis of charge in the year	**£'000**	**£'000**
Corporation tax		
Charge at 30% on the profit for the year	(6,681)	(2,568)
Prior year adjustment to current tax charge	(3,382)	1,358
Deferred tax		
Credit/(charge) arising on timing differences	594	(1,245)
Prior year adjustment to deferred tax charge	2,478	(1,356)
	(6,991)	(3,811)
Current tax reconciliation		
Profit on ordinary activities before tax	20,290	12,605
Current tax charge at 30%	(6,087)	(3,781)
Capital allowances for the year in excess of depreciation	(594)	1,245
Expenses not deductible for tax purposes	-	(32)
Total current tax charge	(6,681)	(2,568)

8. DIVIDEND	**2003**	**2002**
	£'000	**£'000**
Dividend proposed	1,000	3,500

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2003
NOTES TO THE ACCOUNTS

9. TANGIBLE FIXED ASSETS LEASED TO CUSTOMERS

	Operating leases £'000
Cost:	
At 1 January 2003	434,060
Additions	89,610
Disposals	(109,616)
At 31 December 2003	414,054
Depreciation:	
At 1 January 2003	155,350
Disposals	(85,938)
Charge for the year	68,978
At 31 December 2003	138,390
Net book value:	
At 31 December 2003	275,664
At 31 December 2002	278,710

Included in the depreciation charge for the year above is a credit of £4,440,000 in respect of the residual values of the lease portfolio (2002 - charge of £6,798,400).

Residual value maturity	**2003**	**2002**
The residual value exposure is aged as follows:	**£'000**	**£'000**
Within one year	78,311	78,336
Within two to five years	142,436	116,700
	220,747	195,036

10. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000
Cost and Net Book Value	
At 1 January 2003 & 31 December 2003	6

Subsidiary undertakings

The company has the following subsidiary undertakings at 31 December 2003, all of which are incorporated in Great Britain. All of these undertakings are registered in England. All the shares are wholly owned. The nature of their business, share capital and accounting year end dates are as follows:

Company	**Nature of business**	**Share Capital** Ordinary shares of £1 each
Network Vehicles Limited	Dormant	1,000
Dial Vehicle Management Services Limited	Dormant	5,000

11. STOCK

	2003 £'000	**2002 £'000**
Motor Vehicles	2,663	2,844

12. LEASE RECEIVABLES AND OTHER DEBTORS

	2003	2002
Amounts falling due within one year:	£'000	£'000
Trade debtors	8,271	11,255
Finance lease receivables	18,603	19,250
Lease purchase receivables	27,822	29,442
Other debtors	10,621	6,645
Prepayments & accrued income	3,069	4,749
	68,386	71,341
Amounts falling due after more than one year:		
Finance lease receivables	36,156	32,091
Lease purchase receivables	53,173	37,342
Deferred tax (note 14)	1,272	-
	90,601	69,433
Total	158,987	140,774

Aggregate rentals received during the year under finance leases was £30,541,000 (2002 - £26,800,000).

Residual value maturity	2003	2002
The residual value exposure is aged as follows:	£'000	£'000
Within one year	8,685	9,197
Within two to five years	20,908	18,502
	29,593	27,699

13. CALLED UP SHARE CAPITAL AND RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS

Called up share capital	2003	2002
	£'000	£'000
Ordinary shares of £1 each: Authorised	222	222
Allotted, called up and fully paid:	222	222

Reconciliation of movement of equity shareholders' funds

	Share capital	Share premium	Profit & loss account	Total
	£'000	£'000	£'000	£'000
Brought forward at 1 January 2003	222	4,403	32,298	36,923
Profit & loss account	-	-	13,299	13,299
Dividends	-	-	(1,000)	(1,000)
Carried forward at 31 December 2003	222	4,403	44,597	49,222

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
The movement comprises:	£'000
Balance at 1 January 2003	1,800
Credit arising on timing differences	(594)
Prior year adjustment to deferred tax charge	(2,478)
Balance at 31 December 2003	(1,272)

	2003	2002
The deferred tax balance comprises:	£'000	£'000
Excess of capital allowances over depreciation	(1,964)	4,723
Provisions	(231)	(2,943)
Other	923	20
Balance at 31 December 2003 (reclassified to debtors, note 12)	(1,272)	1,800

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2003
NOTES TO THE ACCOUNTS

15. CREDITORS	**2003**	**2002**
	£'000	**£'000**
Amounts falling due within one year		
Bank loans and overdrafts - non group	-	547
Trade creditors	1,003	2,065
Other creditors	3,527	3,283
Accruals and deferred income	14,877	14,952
Corporation tax	14,372	2,226
Amounts owed to group undertakings	342,956	344,783
	376,735	367,856
Amounts falling due after one year		
Accruals and deferred income	11,553	15,755
Total	388,288	383,611

16. CAPITAL COMMITMENTS

Vehicles

At 31 December 2003 the company had commitments for motor vehicles ordered for future lease agreements but not delivered amounting to £35,423,000 (2002 - £7,183,300).

Leases

The company had annual commitments under operating leases in the year to 31 December 2003 as follows:

	Land and Buildings 2003 £'000	**Land and Buildings 2002 £'000**
Leases which expire:		
Within one year	-	20
Within two to five years	9	-
After five years	698	716
	707	736

Financial instruments

The company had commitments under interest rate swap agreements entered into for the purpose of hedging its lease portfolio against interest rate risk.

17. RETIREMENT BENEFITS

Open scheme

The group operates the LeasePlan UK Limited Pension Scheme, a defined contribution scheme in which the assets are held separately from those of the group in an independently administered fund. The pension cost charge for the year and contributions payable to the fund at 31 December 2003 are included in note 19 of the group accounts.

Closed schemes

The following are former pension schemes operated by Dial Contracts Limited which are now closed to new staff.

Defined contribution scheme

The Dial Contracts Limited Barclays Mercantile Pension and Life Assurance Scheme is a contributory money purchase scheme in which the assets are held separately from those of the company in an independently administered fund. The scheme was open to Dial staff to 31 May 2000. The pension cost charge for the year represents contributions payable by the company to the pension fund and amounted to £219,329 (2002 - £238,074). Contributions amounting to £20,758 were payable to the fund at 31 December 2003 (2002 - £37,103).

Defined benefit scheme

The Dial Contracts Limited Retirement Benefits Plan provides benefits based on final pensionable salary. The scheme is funded by the payment of contributions to a separately administered fund, being invested with an insurance company. The scheme applies to eligible Dial staff in previous years. The pension costs are determined by a qualified actuary on the basis of triennial valuations.

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2003
NOTES TO THE ACCOUNTS

17. RETIREMENT BENEFITS, continued

Defined benefit scheme

The most recent full actuarial valuation of the scheme was undertaken by an independent qualified actuary as at 31 May 2001. The main assumptions used by the actuary were:

Rate of increase in salaries		4.25%
Rate of pension increases		2.25%
Investment return -	in deferment & retirement	6.00%
Investment return -	for active member benefits prior to retirement	7.00%

Defined benefit scheme

The method of valuation adopted was the market valuation approach, with assets taken at market value and liabilities projected forward allowing for salary growth based on current inflationary expectations and discounted to give a capitalised value using investment returns implied by market conditions.

The market value of the assets in the scheme as at the date of valuation was £8,436,000. The valuation shows a surplus of £813,000 (when comparing assets and past service liabilities) and a funding level of 111%.

The employer's contribution rate over the remaining life of the scheme takes account of the surplus disclosed by the valuation.

The pension charge for the year amounted to £264,000 (2002: £264,000).

Whilst the company continues to account for pensions costs in accordance with SSAP 24 'Accounting for Pensions Costs', under FRS 17 'Retirement Benefits', the following transitional disclosures are required:

The valuation of the scheme has been updated to 31 December 2003 by a qualified independent actuary, pursuant to the provisions and requirements of FRS 17.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered may not necessarily be borne out in practice.

Financial assumptions used

	31/12/2003	31/12/2002
Rate of increase in salaries	3.80%	4.25%
Rate of pension increases	2.80%	2.50%
Discount rate	5.40%	5.50%
Inflation assumption	2.80%	2.25%

Defined benefit scheme

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cashflow projections over long periods and thus inherently uncertain, were:

	31/12/2003	31/12/2002
	£'000	£'000
Equities Value	7,462	6,079
Long term rate of return expected	7.50%	7.50%
Bonds Value	1,593	1,343
Long term rate of return expected	5.00%	5.00%
Total market value of assets	9,055	7,422
Actuarial value of liability	(11,907)	(10,333)
Scheme deficit	(2,852)	(2,911)
Related deferred tax asset	855	873
Net pension liability	(1,997)	(2,038)

DIAL CONTRACTS LIMITED
YEAR ENDED 31 DECEMBER 2003
NOTES TO THE ACCOUNTS

17. RETIREMENT BENEFITS, continued

Defined benefit scheme

Set out below is an analysis of the amounts that would be charged to the profit and loss account and the statement of total recognised gains and losses in respect of the company's defined benefit pension scheme in accordance with the transitional requirements of FRS 17.

Analysis of the amounts that would be charged to profit & loss account in accordance with FRS 17.

	2003	2002
Components of the defined benefit cost	£'000	£'000
Current service cost	259	231

As the scheme is closed, under the Projected Unit Method, the current service cost will increase as the members of the scheme approach retirement.

Other finance costs	2003	2002
Expected return on assets in the scheme	£'000	£'000
Interest on liabilities in the scheme	529	621
Net finance return	(573)	(517)
	(44)	104

Analysis of the amounts that would be recognised in the statement of total recognised gains and losses in accordance with FRS 17.

	2003	2002
	£'000	£'000
Actual return less expected return on assets	923	(1,855)
Experience gains and losses arising on scheme liabilities	-	-
Changes in demographic and financial assumptions underlying the	(825)	(1,108)
Net actuarial gain/(loss)	98	(2,963)

Movement in net deficit during the year

	2003	2002
	£'000	£'000
Net deficit at 1 January 2003	(2,911)	(85)
Movement in the year:		
Current service cost	(259)	(231)
Net finance return	(44)	104
Contributions	264	264
Actuarial gain/(loss)	98	(2,963)
Net deficit at 31 December 2003	(2,852)	(2,911)

Closed schemes

Analysis of the amounts that would be recognised in the statement of total recognised gains and losses in accordance with FRS 17.

History of experience gains and losses

	2003	2002
	£'000	£'000
Difference between actual return less expected return on assets	923	(1,855)
Percentage of Scheme assets	10.2%	(25.0%)
Experience gains and losses arising on scheme liabilities	-	-
Percentage of Scheme liabilities	0.0%	0.0%
Net actuarial gain / (loss) recognised in Statement of total recognised gains and	98	(2,963)
Percentage of Scheme liabilities	(0.8%)	28.7%

17. RETIREMENT BENEFITS, continued

Defined benefit scheme

	31/12/2003	31/12/2002
Net assets	£'000	£'000
Net assets excluding pension liability	49,222	36,923
Pension liability	(1,997)	(2,038)
Net assets including pension liability	47,225	34,885
Reserves		
Profit and loss account excluding pension liability	44,597	32,298
Pension liability	(1,997)	(2,038)
Profit and loss account	42,600	30,260

18. CASH FLOW STATEMENT

The company is a subsidiary of another company incorporated in the Netherlands, see note 21, whose consolidated accounts include a cash flow statement and incorporate the cash flows of this Company, which are wholly dependent on the group's overall cash and funding position. In accordance with FRS 1 the directors consider that a cash flow statement is not required.

19. SEGMENTAL INFORMATION

The group's sole activity is the provision of vehicle management services including vehicle acquisition, leasing, fleet management and contract hire and the sole market supplied was the United Kingdom.

20. RELATED PARTY TRANSACTIONS

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with ABN AMRO group as it is a wholly owned subsidiary undertaking of ABN AMRO Holding NV.

21. ULTIMATE HOLDING COMPANY

At 31 December 2003 the directors regarded ABN AMRO Holding NV (a company incorporated in the Netherlands) as being the company's ultimate parent company and Inula Holding UK Ltd (a company incorporated in England and Wales) as the immediate parent company.

The address of Inula Holding UK Ltd from where a copy of the group accounts may be obtained is 165 Bath Road, Slough, Berks SL1 4AA.

The address of ABN AMRO Holding NV from where a copy of the group accounts may be obtained is Gustav Mahlerlaan 10, 1082 PP Amsterdam, Netherlands.