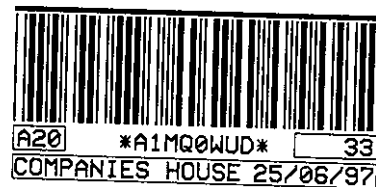


BVS Rentals Limited

Report and financial statements

For the period ended 29 December 1996



BVS Rentals Limited is registered in England and Wales No. 1985727

Registered office:
Lex House
17 Connaught Place
London
W2 2EL

BVS Rentals Limited

Report and financial statements

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BVS Rentals Limited

Directors

P Cosgrove (appointed 15 April 1996)
DJ Price (appointed 15 April 1996)
K Green (resigned 15 April 1996)

Secretary

ML Young

BVS Rentals Limited

Directors' report

The directors present their annual report and the audited financial statements for the period ended 29 December 1996.

Principal activity

The company's principal activities were vehicle rental, leasing and contract hire and other associated activities.

On 15 April 1996 the whole of the company's share capital was purchased by Lex Transfleet Limited and on the following day the assets and trade were transferred into Transfleet Truck Rentals Limited, a subsidiary of Lex Transfleet Limited. The company then became dormant.

Business review

The profit on ordinary activities before taxation was £47,000 (1996: £65,000) on which there was a taxation charge of £21,000 (1996: credit £7,000). The directors do not recommend the payment of a dividend (1996: £Nil).

Directors and directors' interests

The directors who held office during the period are shown on page 1. On 31 December 1996 Mr DM Smith was appointed a Director, and on the same date, Mr DJ Price resigned as Director.

Neither of the directors at the period end had any interest in the share and loan capital of the company or any group undertakings at any time during the period.

Payments to suppliers

The company is responsible for agreeing the terms and conditions under which business transactions with suppliers are conducted. It is company policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all the relevant terms and conditions.

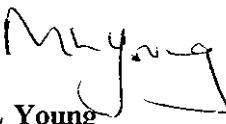
BVS Rentals Limited

Directors' report *(continued)*

Auditor

During the year, Minney & Co resigned as auditors and KPMG Audit Plc were appointed to fill the vacancy. In accordance with Section 385 of the Companies Act 1985, a resolution to appoint KPMG Audit Plc will be proposed at the forthcoming Annual General Meeting.

By order of the board


ML Young
Secretary

Lex House
17 Connaught Place
London
W2 2EL

3 March 1997

BVS Rentals Limited

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham B3 2DL

Auditor's report to the members of BVS Rentals Limited

We have audited the financial statements on pages 6 to 14.

Respective responsibilities of directors and auditor

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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 affairs of the company as at 29 December 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

3 March 1997

BVS Rentals Limited

Profit and loss account

for the period ended 29 December 1996

		Discontinued operations	
	<i>Note</i>	Period ended 29 December 1996 £000	Year ended 29 February 1996 £000
Turnover	<i>1</i>	122	1,328
Cost of sales		(124)	(916)
Gross (loss)/profit		(2)	412
Administrative expenses		77	(244)
Other operating (charges)/income		(5)	23
Operating profit		70	191
Interest payable and similar charges	<i>5</i>	(23)	(126)
Profit on ordinary activities before taxation	<i>2</i>	47	65
Tax on profit on ordinary activities	<i>6</i>	(21)	7
Profit on ordinary activities after taxation and for the financial year	<i>13</i>	26	72

The company has no recognised gains or losses other than the profit for the period which has been calculated on an unmodified historical cost basis.

The notes on pages 8 to 14 form part of these financial statements.

The movement on reserves is detailed in note 13 on page 13 of these financial statements.

BVS Rentals Limited

Balance sheet

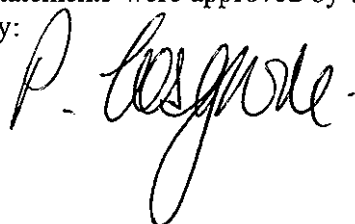
at 29 December 1996

	Note	29 December 1996		29 February 1996	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7		-		2,195
Current assets					
Debtors	8	836		326	
Creditors: amounts falling due within one year	9	-		(1,073)	
Net current assets/(liabilities)			836		(747)
Total assets less current liabilities			836		1,448
Creditors: amounts falling due after more than one year	10		-		(638)
Net assets			836		810
Capital and reserves					
Called up share capital	12		150		150
Profit and loss account	13		686		660
Equity shareholders' funds			836		810

The notes on pages 8 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 3 March 1997 and signed on their behalf by:

P Cosgrove
Director



BVS Rentals Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Lex Transfleet Limited, and its cash flows are included within the consolidated cash flow statement of that company.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	1 to 5 years
Fixtures and fittings	4 years

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

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. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 to not disclose related party transactions with Lex Transfleet Limited and its subsidiary undertakings.

BVS Rentals Limited

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customer during the year.

The turnover which all arises within the United Kingdom, and the pre-tax result are attributable to the company's principal activity.

2 Profit on ordinary activities before taxation

	Period ended 29 December 1996 £000	Year ended 29 February 1996 £000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging:</i>		
Auditor's remuneration - audit services	-	2
Depreciation and other amounts written off tangible fixed assets	60	474
	<u>60</u>	<u>474</u>

3 Remuneration of directors

No director received any remuneration as director of this company during the year.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees Period ended 29 December 1996	Year ended 29 February 1996
Directors	2	2
Production and sales	1	2
	<u>3</u>	<u>4</u>

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	4	40
Social security costs	1	4
	<u>5</u>	<u>44</u>

BVS Rentals Limited

Notes (continued)

5 Interest payable and similar charges

	Period ended 29 December 1996 £000	Year ended 29 February 1996 £000
On bank loans, overdrafts and other loans wholly repayable within five years	2	5
Finance charges payable in respect of finance leases and hire purchase contracts	21	121
	<u>23</u>	<u>126</u>

6 Taxation

	Period ended 29 December 1996 £000	Year ended 29 February 1996 £000
UK corporation tax at 33% (1995: 33%) on the profit for the period on ordinary activities	21	-
Prior year adjustments	-	(7)
	<u>21</u>	<u>(7)</u>

BVS Rentals Limited

Notes (continued)

7 Tangible fixed assets

	Motor vehicles £000	Fixtures & fittings £000	Total £000
<i>Cost</i>			
At beginning of period	3,080	1	3,081
Transfers to group undertakings	(2,961)	-	(2,961)
Disposals	(119)	(1)	(120)
	<hr/>	<hr/>	<hr/>
At end of period	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of period	886	-	886
Charge for period	60	-	60
Transfers to group undertakings	(895)	-	(895)
Disposals	(51)	-	(51)
	<hr/>	<hr/>	<hr/>
At end of period	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 29 December 1996	-	-	-
	<hr/>	<hr/>	<hr/>
At 1 March 1996	2,194	1	2,195
	<hr/>	<hr/>	<hr/>

8 Debtors

	29 December 1996 £000	29 February 1996 £000
Trade debtors	-	193
Amounts owed by undertakings in which the company has a participating interest	836	68
Corporation tax	-	7
Prepayments and accrued income	-	35
Directors current account	-	23
	<hr/>	<hr/>
	836	326
	<hr/>	<hr/>

BVS Rentals Limited

Notes (continued)

9 Creditors: amounts falling due within one year

	29 December 1996 £000	29 February 1996 £000
Bank loans and overdrafts	-	85
Obligations under finance leases and hire purchase contracts	-	806
Trade creditors	-	136
Bills of exchange payable	-	
Other creditors including taxation and social security	-	36
Accruals and deferred income	-	10
	<u>-</u>	<u>1,073</u>

10 Creditors: amounts falling after more than one year

	29 December 1996 £000	29 February 1996 £000
Obligations under finance leases and hire purchase contracts	-	638
	<u>-</u>	<u>638</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	29 December 1996 £000	29 February 1996 £000
Within one year	-	806
In the second to fifth years	-	638
	<u>-</u>	<u>1,444</u>

BVS Rentals Limited

Notes (continued)

11 Provisions for liabilities and charges

The amounts provided for deferred taxation and the amounts not provided are set out below:

	29 December 1996		29 February 1996	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Difference between accumulated depreciation and amortisation and capital allowances	-	-	-	185

12 Called up share capital

	29 December 1996	29 February 1996
	£000	£000
<i>Authorised:</i>		
Ordinary shares of £1 each	1,000	1,000
<i>Allotted, issued and fully paid:</i>		
Ordinary shares of £1 each	150	150

13 Profit and loss account

	£000
Surplus at beginning of period	660
Profit for the financial period	26
Surplus at end of period	686

14 Reconciliation of movement in shareholders' funds

	Period ended 29 December 1996	Year ended 29 February 1996
	£000	£000
Profit for the financial period	26	72
Opening shareholders' funds	810	738
Closing shareholders' funds	836	810

BVS Rentals Limited

Notes *(continued)*

15 **Parent undertaking**

The immediate parent undertaking is Lex Transfleet Limited, the ultimate parent undertaking being National Westminster Bank Plc.

Copies of the financial statements of Lex Transfleet Limited can be obtained from:

The Secretary, Lex Transfleet Limited, c/o Lex Service PLC, Lex House, 17 Connaught Place, London, W2 2EL.

Copies of the financial statements of National Westminster Bank Plc can be obtained from:

The Secretary, National Westminster Bank Plc, 41 Lothbury, London, EC2P 2BP.