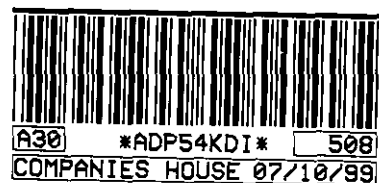


Transamerica Trailer Leasing Limited

Report and Accounts

31 DECEMBER 1998



Transamerica Trailer Leasing Limited

Registered no. 2317213

DIRECTORS

J Johnson
C E Tingley (Chairman)
E T Mann
H B Aspis (alternative director for E T Mann)
M J Cunningham
N Pearce
P Higgins

SECRETARY

F S Gelderd

AUDITORS

Ernst & Young
400 Capability Green
Luton
Bedfordshire
LU1 3LU

BANKERS

National Westminster Bank Plc
32 East Street
Barking
Essex
IG11 8E2

SOLICITORS

Berwin Leighton
Adelaide House
London Bridge
London
EC4R 9HA

REGISTERED OFFICE

Roding House
2 Cambridge Road
Barking
Essex
IG11 8NL

 **ERNST & YOUNG**

Transamerica Trailer Leasing Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1998.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £9,938,307 (1997: £3,936,923) which has been transferred to reserves. No dividend is proposed.

PRINCIPAL ACTIVITY

The company's principal activity during the year continued to be the provision of trailers for rent or lease.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company has established a firm foothold in the UK and turnover grew by more than 37%.

Further expansion is planned for 1999 with a new branch to commence operations in Bridgend.

The trailer fleet which is now over 10,000 units is positioned for continued growth over the next 12 months.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

D J Kenny	-	resigned 31 May 1998
C E Tingley		
J Johnson		
E T Mann		
H M Roome	-	resigned 26 February 1999
D P Loosley	-	resigned 30 April 1998
M J Cunningham	-	appointed 17 June 1998
H B Aspis	-	appointed 17 June 1998
N Pearce	-	appointed 16 March 1999
P Higgins	-	appointed 30 September 1998

None of the directors had any beneficial interest in shares or contracts of the company.

PAYMENTS TO SUPPLIERS

The Company agrees terms and conditions for its business transactions with suppliers. Payment is then made to these terms, subject to the terms and conditions being met by the supplier.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

An assessment has been made of the potential risks to the company's activities arising from the date change to the Year 2000. The Board believes that the current systems are adequate to ensure that there will not be any significant failures or issues that might arise. There have been no costs incurred in the year associated with the Year 2000 issue.

Transamerica Trailer Leasing Limited

DIRECTORS' REPORT

AUDITORS

A resolution in accordance with section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually was passed on 12 June 1996 and accordingly Ernst & Young shall be deemed reappointed as auditors.

By order of the board



Secretary

10 August 1999

Transamerica Trailer Leasing Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Transamerica Trailer Leasing Limited

We have audited the accounts on pages 7 to 20, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 5, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

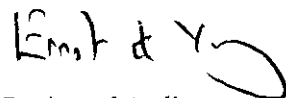
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Ernst & Y', with a large, stylized flourish at the end.

Registered Auditor
Luton

10 August 1999

Transamerica Trailer Leasing Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1998

	Notes	1998 £	1997 £
TURNOVER	2	37,652,635	27,403,648
Cost of sales		(20,245,649)	(13,732,405)
GROSS PROFIT		17,406,986	13,671,243
Administrative expenses		(5,681,989)	(4,375,333)
		11,724,997	9,295,910
Other operating income		2,080,199	1,480,356
OPERATING PROFIT	3	13,805,196	10,776,266
Interest receivable		22,342	1,606
Interest payable and similar charges	5	(9,593,314)	(5,752,712)
		(9,570,972)	(5,751,106)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,234,224	5,025,160
Taxation credit/(charge)	6	5,704,083	(1,088,237)
PROFIT FOR THE FINANCIAL YEAR	16	9,938,307	3,936,923

A statement of movement on reserves can be found in note 16 to the accounts.

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £9,938,307 in the year ended 31 December 1998 (1997: £3,936,923). All recognised gains and losses arise from continuing activities.

Transamerica Trailer Leasing Limited

BALANCE SHEET

at 31 December 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	7	188,089,106	141,058,912
CURRENT ASSETS			
Debtors - amounts falling due after one year	8	2,657,857	3,366,927
- amounts falling due within one year		17,535,106	9,123,980
		20,192,963	12,490,907
Cash at bank and in hand	9	901,925	6,209,755
		21,094,888	18,700,662
CREDITORS: amounts falling due within one year	10	(51,284,251)	(74,654,937)
NET CURRENT LIABILITIES		(30,189,363)	(55,954,275)
TOTAL ASSETS LESS CURRENT LIABILITIES		157,899,743	85,104,637
CREDITORS: amounts falling due after more than one year	11	(123,741,426)	(56,654,627)
PROVISION FOR LIABILITIES AND CHARGES	14	(1,818,700)	(8,548,700)
		32,339,617	19,901,310
CAPITAL AND RESERVES			
Called up share capital	15	1,000	900
Capital contribution	16	37,871	37,871
Share premium account	16	13,377,322	10,877,422
Profit and loss account	16	18,923,424	8,985,117
Equity shareholders' funds		32,339,617	19,901,310

Director

Director

10 August 1999

The notes on pages 10 to 20 form part of these accounts.

Transamerica Trailer Leasing Limited

STATEMENT OF CASH FLOWS for the year ended 31 December 1998

	Notes	1998 £	1997 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3(c)	24,170,635	15,672,297
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		22,342	1,606
Interest element of finance lease rent payments		(4,146,610)	(3,939,006)
Interest paid		(5,246,814)	(1,697,770)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(9,371,082)	(5,635,170)
TAXATION			
UK corporation tax paid		(26,127)	—
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(64,453,557)	(47,127,979)
Receipts from sales of tangible fixed assets		3,954,221	956,784
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(60,499,336)	(46,171,195)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(45,725,910)	(36,134,068)
FINANCING			
Issue of ordinary share capital	16	2,500,000	836,000
Proceeds from new loans		20,300,000	53,380,000
Repayment of capital element finance leases	13	(4,104,325)	(3,718,466)
Repayment of loans	12	(53,380,000)	(10,600,000)
Receipts from sale of plant and machinery under sales and leaseback agreements		77,600,000	—
		42,915,675	39,897,534
(DECREASE)/INCREASE IN CASH	9	(2,810,235)	3,763,466

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Fixed assets are stated at cost.

The cost of fixed assets is written off by equal annual instalments over their expected useful lives with residual values as follows:

Leasehold land and buildings	-	over the lease term
Equipment for rental	-	10 to 15 years, residual value 10% to 20%
Motor vehicles	-	4 years, nil residual value
Office equipment	-	up to 7 years, nil residual value

Deferred taxation and group relief

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Credit is taken for group relief receivable to the extent that it is certain that tax losses will be claimed and utilised by other group companies.

Pension benefits

The company is a member of a defined benefit scheme which is available to employees of Transamerica UK companies and branches.

Pension benefits are funded over the employees' periods of service. The company's contributions, based on the most recent triennial actuarial valuation of the fund, are made to an independent pension fund.

Leases

Income from operating leases is credited to profit and loss account on a straight line basis over the period of the contract.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

2. TURNOVER

Turnover is stated net of Value Added Tax and represents amounts invoiced to third parties and relate to one continuing activity, the provision of trailers for hire or lease. The activities are carried out wholly in the United Kingdom.

Gross rentals receivable amounted to:

	1998 £	1997 £
Short term rentals	16,307,894	11,832,948
Operating leases	21,344,741	15,570,700
	<u>37,652,635</u>	<u>27,403,648</u>

3. OPERATING PROFIT

(a) This is stated after charging:

	1998 £	1997 £
Auditors' remuneration - audit services	34,000	24,000
- non-audit services	311,600	45,000
Depreciation of owned tangible fixed assets	8,138,677	4,047,744
Depreciation of assets held under finance leases and hire purchase contracts	<u>5,474,787</u>	<u>4,942,194</u>

(b) Directors' remuneration:

No directors received emoluments from the company during the year.

(c) Reconciliation of operating profit to net cash inflow from operating activities:

	1998 £	1997 £
Operating profit	13,805,196	10,776,266
Depreciation	13,567,898	8,989,938
Profit on disposal of fixed assets	(98,755)	(5,010)
Increase in debtors	(7,702,056)	(4,531,193)
Increase in creditors	<u>4,598,352</u>	<u>442,296</u>
Net cash inflow from operating activities	<u>24,170,635</u>	<u>15,672,297</u>

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

4. STAFF COSTS

	1998 £	1997 £
Wages and salaries	1,865,815	1,452,618
Social security costs	164,305	127,709
Other pension costs	229,131	150,171
	<u>2,259,251</u>	<u>1,730,498</u>

The average number of staff employed by the company during the year was 73 (1997: 54).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1998 £	1997 £
Parent undertaking	4,320	102,627
Other interest payable	5,209,836	1,595,143
Finance charges payable under finance leases and hire purchase contracts	4,379,158	4,054,942
	<u>9,593,314</u>	<u>5,752,712</u>

6. TAXATION CREDIT/(CHARGE)

	1998 £	1997 £
UK corporation tax	1,025,917	—
Deferred taxation (note 14)	(6,730,000)	1,062,110
	<u>(5,704,083)</u>	<u>1,062,110</u>
UK corporation tax underprovided in previous years	—	26,127
	<u>(5,704,083)</u>	<u>1,088,237</u>

At 31 December 1998, the company had UK tax losses, subject to final agreement and before consortium relief claims by the shareholders, of approximately £8,345,000 (1997: £7,400,000) to carry forward.

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

7. TANGIBLE FIXED ASSETS

	<i>Short leasehold land and buildings £</i>	<i>Plant and machinery £</i>	<i>Motor vehicles £</i>	<i>Computer and office equipment £</i>	<i>Total £</i>
Cost:					
At 1 January 1998	46,401	168,004,832	544,612	282,267	168,878,112
Additions	33,688	64,259,511	148,983	11,375	64,453,557
Disposals	-	(5,603,557)	-	-	(5,603,557)
At 31 December 1998	80,089	226,660,786	693,595	293,642	227,728,112
Depreciation:					
At 1 January 1998	21,686	27,303,554	239,239	254,721	27,819,200
Charge for the year	5,424	13,532,557	23,630	6,287	13,567,898
Disposals	-	(1,748,092)	-	-	(1,748,092)
At 31 December 1998	27,110	39,088,019	262,869	261,008	39,639,006
Net book value:					
At 31 December 1998	52,979	187,572,767	430,726	32,634	188,089,106
At 31 December 1997	24,715	140,701,278	305,373	27,546	141,058,912

Plant and machinery consists of assets leased out under operating leases.

The net book value of plant and machinery above includes an amount of £123,697,636 (1997: £59,777,296) in respect of assets held under finance leases.

8. DEBTORS

	<i>1998 £</i>	<i>1997 £</i>
Trade debtors	3,547,972	3,783,976
Other debtors	117,015	3,817,839
Prepayments	305,992	242,765
Due from parent and fellow subsidiary undertakings	13,564,127	1,279,400
Amounts due from Lombard North Central PLC	2,657,857	3,366,927
	<u>20,192,963</u>	<u>12,490,907</u>

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

8. DEBTORS (continued)

Amounts falling due after one year included above are:

	1998 £	1997 £
Amounts due from of Lombard North Central PLC	2,657,857	3,366,927

These amounts relate to consortium relief claims made by the shareholders, payable upon the occurrence of various crystallising events, as defined within the consortium relief agreement.

9. CASH AND CASH EQUIVALENTS

Analysis of net debt:

	1996 £	Cashflow £	1997 £	Cashflow £	1998 £
Cash	500	6,209,255	6,209,755	(5,307,830)	901,925
Overdraft	(51,806)	(2,445,789)	(2,497,595)	2,497,595	—
	(51,306)	3,763,466	3,712,160	(2,810,235)	901,925
Short term loans	(10,600,000)	(42,780,000)	(53,380,000)	33,080,000	(20,300,000)
Finance lease obligations	(64,167,268)	3,718,466	(60,448,802)	(73,495,675)	(133,944,477)
	(74,818,574)	(35,298,068)	(110,116,642)	(43,225,910)	(153,342,552)

Reconciliation of net cashflow to movement in net debt:

	1998 £	1997 £
Increase in cash	(2,810,235)	3,763,466
Cash inflow from increase in debt and lease financing	(40,415,675)	(39,061,534)
Movement in net debt in the period	(43,225,910)	(35,298,068)
Net debt at 1 January	(110,116,642)	(74,818,574)
Net debt at 31 December	(153,342,552)	(110,116,642)

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

10. CREDITORS: amounts falling due within one year

	1998 £	1997 £
Bank overdraft	—	2,497,595
Amounts due to Lombard North Central PLC		
Obligations under finance leases (note 13)	4,067,003	3,794,175
Instalments due on loans	21,260,626	54,501,646
Amounts due to Transamerica Funding LP:		
Obligations under finance leases (note 13)	6,664,606	—
Instalments due on loans from parent undertakings	—	736,416
Trade creditors	1,145,961	1,743,399
Corporation tax	1,025,917	26,127
Other taxes and social security	11,359,394	46,842
Accruals	924,897	1,756,887
Other creditors	2,746,278	8,475,970
Amounts due to fellow subsidiary undertakings	1,101,527	326,780
Deferred income	988,042	749,100
	<u>51,284,251</u>	<u>74,654,937</u>

The amounts due to Lombard North Central PLC relate to a short term loan drawn down under a floating rate facility with an interest rate currently fixed at 6.75%, for an amount of £20,300,000. The amount also includes an interest accrual of £960,626 (1997: £1,193,174) which relates to the finance lease obligation and short term loan.

Both Lombard North Central PLC and Transamerica group undertakings have confirmed that, except for the amounts due under finance lease obligations, they do not intend to call for repayments of amounts due to them within the foreseeable future.

11. CREDITORS: amounts falling due after more than one year

	1998 £	1997 £
Amounts due to Transamerica Funding LP	71,463,952	—
Amounts due to Lombard North Central PLC		
	52,277,474	56,654,627
	<u>123,741,426</u>	<u>56,654,627</u>

Creditor amounts falling due after more than one year relate to obligations under finance leases (note 13).

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

12. LOANS

Included within creditors are loans which can be analysed as follows:

	1998 £	1997 £
Wholly repayable within 5 years:		
Lombard North Central PLC	20,300,000	53,380,000
Transamerica Funding LP	—	736,416
	<u>20,300,000</u>	<u>54,116,416</u>

Analysis of maturity of debt:

	1998 £	1997 £
Within one year	<u>20,300,000</u>	<u>54,116,416</u>

Analysis of changes in financing during the year:

	<i>Loans</i> £
Balance at 1 January 1998	54,116,416
Cash (outflow)/inflow from financing	(33,816,416)
Balance at 31 December 1998	<u>20,300,000</u>

13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	1998 £	1997 £
Amounts payable:		
Within one year	10,203,051	3,794,175
In two to five years	45,737,818	17,926,462
More than five years	78,003,608	38,728,165
	<u>133,944,477</u>	<u>60,448,802</u>

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS (continued)

Analysis of changes in finance leases and hire purchase contracts during the year:

	£
At 1 January 1998	60,448,802
Repayment of capital element of finance leases	(4,104,325)
Inception of finance lease contracts	77,600,000
At 31 December 1998	133,944,477

14. PROVISION FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 1998	8,548,700
Credited to profit and loss account	(6,730,000)
At 31 December 1998	1,818,700

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	Provided		Not provided	
	1998	1997	1998	1997
	£	£	£	£
Capital allowances in advance of depreciation	6,105,673	10,879,549	—	—
Tax losses	(2,586,874)	(2,296,810)	—	—
Other timing differences	(1,700,099)	(34,039)	—	—
	1,818,700	8,548,700	—	—

15. SHARE CAPITAL

	Authorised		Allotted and fully paid	
	1998	1997	1998	1997
	No.	No.	£	£
Ordinary 'A' shares of £1 each	510,000	510,000	510	459
Ordinary 'B' shares of £1 each	490,000	490,000	490	441
	1,000,000	1,000,000	1,000	900

During the year, the company issued 51 £1 ordinary 'A' shares and 49 £1 ordinary 'B' shares fully paid for cash of £2,500,000 in order to fund the increase in business during the year.

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Share premium £	Capital contribution £	Profit and loss account £	Total shareholders' funds £
At 31 December 1996	800	10,041,522	37,871	5,048,194	15,128,387
Received in the year	100	835,900	—	—	836,000
Profit for the year	—	—	—	3,936,923	3,936,923
At 31 December 1997	900	10,877,422	37,871	8,985,117	19,901,310
Received in the year	100	2,499,900	—	—	2,500,000
Profit for the year	—	—	—	9,938,307	9,938,307
At 31 December 1998	1,000	13,377,322	37,871	18,923,424	32,339,617

17. PENSION COMMITMENTS

The company participates in a funded defined benefits pension scheme providing benefits based on final pensionable salary. The assets of the fund are held separately from those of the company.

The contributions to the scheme are determined by a qualified actuary on the basis of regular valuations.

The most recent valuation was carried out as at 6 April 1998, using the following main assumptions:

Rate of return on investment	8.5% per annum compound
Rate of salary increase	6.0% per annum compound
Rate of increase to pensions in payment pre 6 April 1997	3.0% per annum compound
Rate of increase to pensions in payment post 6 April 1997	3.5% per annum compound
Rate of dividend increases	4.5% per annum compound

Market value of scheme's assets	£5,227,401
Actuarial value of the scheme's assets	£3,475,000
Level of funding being the actuarial value of assets expressed as a percentage of benefits accrued to members	120%

This method of funding is known as the 'Attained Age Method'.

The surplus in the scheme is being recognised as a variation from regular cost, amortised over the average expected remaining service lives of current employees. Allowing for this the company will contribute at a rate of 11.1% of pensionable salaries as recommended by the Actuary.

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

18. RELATED PARTY TRANSACTIONS

Transactions with parent undertakings

The company had loans totalling £nil (1997: £120,083) with Transamerica group companies. Interest totalling £4,320 (1997: £102,627) was payable during the year on these balances.

The company entered into a sale and leaseback transaction with Transamerica Funding LP in the year to 31 December 1998 which in total raised finance of £77,600,000. At 31 December 1998 £77,600,000 (1997: £nil) of the capital element of the finance lease obligations was outstanding. Finance charges relating to this transaction of £528,558 (1997: £nil) was payable during the year.

The company also provides services to other operating entities of the European Trailer business of Transamerica Leasing. These services are recharged to these entities based on fleet net book values. This resulted in the company absorbing £1,653,389 (1997: £466,475) of charges from its parent and recharging this and other costs totalling £2,647,169 (1997: £992,069) to the Transamerica Trailer Leasing entities. These balances are now settled on a monthly basis.

Transactions with significant shareholders

The company had loans and overdrafts totalling £20,300,000 (1997: £54,405,525) with Lombard North Central PLC at 31 December 1998. During the year interest of £5,209,168 (1997: £1,589,803) was payable on these loans and overdrafts.

The company entered into various sale and leaseback transactions with Lombard North Central PLC in the year to 31 December 1996 which in total raised finance of £66,090,000. At 31 December 1998 £56,344,477 (1997: £60,448,802) of the capital element of the finance lease obligations was outstanding. Finance charges relating to these transactions of £3,852,491 (1997: £4,054,942) were payable during the year.

The net book value of the assets held under these finance leases is £54,072,762 (1997: £59,777,296).

Consortium relief

Debtors include £2,657,857 (1997: £3,366,927) relating to consortium relief claims made by the shareholders which are payable upon the occurrence of various crystallising events, as defined within the consortium relief agreement.

19. CAPITAL COMMITMENTS

Future capital expenditure contracted for but not provided for at 31 December 1998 amounted to £6,003,959 (1997: £29,811,182).

20. OPERATING LEASES

At 31 December 1998 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>1998</i>	<i>1997</i>
	<i>£'000</i>	<i>£'000</i>
Operating leases which expire:		
Within one year	25	—
In two to five years	106	102
In over five years	296	25

Transamerica Trailer Leasing Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

21. HOLDING COMPANY

The company is a 51% subsidiary undertaking of Transamerica Commercial Holdings Limited (the remaining 49% is held by the Lombard North Central PLC) which is registered in England and Wales, and which has included the company in its group accounts, copies of which are available from the Registrar of Companies.

The ultimate holding company is the Transamerica Corporation, incorporated in the United States of America.