

Company Registration no. 156882 (England and Wales)

Haydock Finance Limited

Directors' Report and Financial Statements
For The Year Ended 29 February 2000



RE-SCAN

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Chairman's Statement

“ Our goal is to become the leading independent finance company in the United Kingdom ”

It gives me great pleasure to present Haydock's results for this year.

1999 was a year in which we restructured our business to prepare ourselves for the challenges of the new decade. Despite an exceptional charge of £1.0 million, related to millennium compliance, our pre-tax profits rose to £2.2 million, an increase of 3.7%. Whilst we successfully reduced our administrative expenses for the year by £0.4 million, lending activity was lower than the previous year with a net reduction in receivable assets of £16.6 million.

During 1999, achieving millennium compliance was the overriding challenge that we faced. We invested heavily in the infrastructure of the business, particularly IT, to position ourselves better for the continued diversification and growth of Haydock. We are committed to a substantial investment programme over the next two years, to ensure that our business is internet-enabled and that we remain competitive, as service providers, by the introduction of specialised front-end processing systems.

I am delighted that our funding relationships, particularly with Bank of Scotland, remain strong. Haydock's historic relationship with Bank of Scotland gives us the ability to look to the Bank not just as a funder, but as a provider of other key management expertise and support.

Now in our twentieth year, Haydock Finance is one of the country's leading independent finance companies.

Founded in 1980 to service the vehicle hire-purchase needs of a small group of Blackburn-based motor dealers, Haydock's current business activities now stretch across the length and breadth of the United Kingdom.

Haydock operates through specialist divisions that provide a cross-section of funding arrangements to business users, motor dealers and consumers. Haydock's mission is to deliver excellent value and outstanding service, along with highly personalised solutions specifically designed for the needs of customers of all types. Haydock fulfils this mission by giving extra effort to addressing customer needs.

In the lending industry today, there is a much greater awareness than ever before of the need for fully integrated product and service delivery to customers, whatever their profile. We intend to distinguish ourselves from the competition by offering a one-stop shop, cradle-to-grave service that addresses these new needs much more effectively than current companies in our market area.

Although the finance industry has expanded rapidly in the past several years and growth is expected to continue at a strong pace for the foreseeable future, the market is becoming increasingly polarised. This offers excellent opportunities for flexible, innovative companies like Haydock. In short, our goal is to become the leading independent finance company in the United Kingdom.

“The steps that we have taken and continue to take will build a bigger, stronger, broader-vision company over the coming months and years”

While Haydock will continue to build on its core activities, we envisage that over the coming months Haydock will rationalise its business activities into three areas.

Consumer Lending

Already the largest and most highly developed area in the business, we will continue to grow this division. It is primarily responsible for servicing the needs of dealer and stockist by providing funding for consumers purchasing motor vehicles. We are constantly striving to enhance our service to both consumer and dealer and we will be introducing innovative products and plans to strengthen the three-way tie between supplier, customer and Haydock.

Corporate Finance

Our corporate division targets small and medium-sized businesses with its range of asset-specific and flexible capital plans. We have plans to acquire a north west based company which will bring with it established introductory sources, a substantial client bank and invaluable expertise in corporate funding.

Asset Management

We also have plans to acquire a local asset management company. An established name in vehicle finance, which specialises in sourcing and providing leasing for any make or model of new, nearly new and second hand vehicle. This acquisition will give Haydock an immediate entry point

into new markets and new product areas. This division complements our already strong presence as vehicle funders in the business market.

Summary

As I stated earlier, 1999 has thrown up many challenges and opportunities for our company. The steps that we have taken and continue to take will build a bigger, stronger, broader-vision company over the coming months and years.

The skill and dedication of Haydock's management and staff underpin my confidence that we can react to market opportunities and focus resources. In the past few months Keith Eastham and Crawford McCaughie have joined us at board level. We remain an Investor in People accredited company with a comprehensive training commitment to all employees.

In conclusion, I envisage a year of continuing but significant change for our business. A year that will position us to achieve our medium-term goals in the new millennium. In the words of Charles Darwin - "It is not the strongest of the species that survives, nor the most intelligent; it is the one that is most adaptable to change."

Jon Wilkinson
Chairman

22 March 2000

Company Information

Directors
J H Wilkinson
K W Eastham (Appointed 30 April 1999)
T R Entwistle
D A Porter
J E Black (Appointed 26 June 1999)
T C McCaughie (Appointed 22 March 2000)

Secretary
K W Eastham

Company number
1526882

Registered office
Challenge House
Challenge Way
Greenbank Business Park
Blackburn
BB1 5QB

Auditors
Garbutt & Elliott
Monkgate House
44 Monkgate
York
YO31 7HF

Bankers
Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

National Westminster Bank Plc
35 King William Street
Blackburn
BB1 7DL

Directors' Report

The directors present their report and financial statements for the year ended 29 February 2000.

Principal activities and review of the business

The principal activity of the company is the provision of financial services for consumers and business users. The directors are pleased with the progress during the year and are confident that profitability will be maintained in the foreseeable future.

Year 2000

The company did not encounter any data system corruption as a result of the millennium date change and the directors are confident that no Year 2000 incidents will occur in the foreseeable future.

Results and dividends

The profit before tax from the continuing business of the company amounted to £2.2 million which compares with a figure of £2.1 million achieved for the year to 28 February 1999. After a tax charge of £0.6 million and interim dividends of £0.7 million, retained profits

of £0.9 million remain. £1.0 million has been charged to the profit and loss account in respect of exceptional millennium compliance expenditure.

At 29 February 2000 there is a dividend payable of £70,000 in respect of dividends voted during the year. The directors do not recommend payment of a final dividend.

Donations

The company has made charitable donations during the year amounting to £675 (1999 - £500). There were no political contributions (1999 - £Nil).

Suppliers

The company recognises the importance of maintaining good business relationships with its suppliers and it is committed to paying all invoices within 30 days of the invoice date, or otherwise in accordance with agreed terms.

Directors' interests

The directors who served during the year and their interests in the company were as follows:

	29 February 2000			28 February 1999		
	Golden Share £1	Dividend Ordinary Shares £1	'B' Ordinary Shares 20p	Golden Share £1	Dividend Ordinary Shares £1	'B' Ordinary Shares 20p
J H Wilkinson	1	799,999	812,500	1	799,999	875,000
K W Eastham	-	-	62,500	-	-	-
T R Entwistle	-	-	62,500	-	-	62,500
D Porter	-	-	62,500	-	-	62,500

Directors' Report

continued

J E Black has no beneficial interest in the share capital of the company. No director has any interest in the preference shares of the company.

In addition, D R S Lamond and J A Wight resigned as directors of the company on 21 May 1999 and 6 August 1999 respectively.

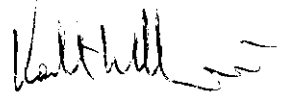
K W Eastham and J E Black were appointed as directors of the company on 30 April 1999 and 26 June 1999 respectively.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Garbutt & Elliott be re-appointed as auditors will be put to the Annual General Meeting.

By order of the board

K W Eastham
Secretary



22 March 2000

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.

By order of the board

K W Eastham
Secretary



22 March 2000

Auditors' Report

TO THE SHAREHOLDERS OF HAYDOCK FINANCE LIMITED

We have audited the financial statements on pages 9 to 20 which have been prepared under the historical cost convention and the accounting policies set out on page 13.

Respective responsibilities of directors and auditors

As described on page 7 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.

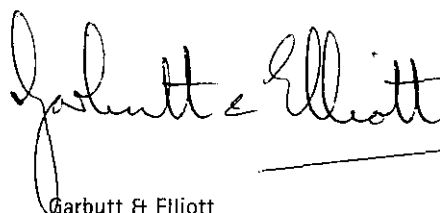
Basis of opinion

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 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 29 February 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Garbutt & Elliott

22 March 2000

Chartered Accountants
Registered Auditors

Monkgate House
44 Monkgate
York
YO31 7HF

Profit and Loss Account

for the year ended 29 February 2000

	Notes	2000 £'000	1999 £'000
Hire purchase, loan interest and leasing charges		14,760	15,739
Commission receivable		648	1,083
Gross income	2	15,408	16,822
Interest payable and commission charges	4	(8,045)	(10,135)
Administrative expenses		(4,085)	(4,524)
Exceptional item: millennium compliance costs		(1,035)	-
Profit on ordinary activities before taxation	3	2,243	2,163
Taxation on profit on ordinary activities	5	(626)	(716)
Profit on ordinary activities after taxation		1,617	1,447
Dividends	6	(700)	(264)
Retained profit for the financial year	15	917	1,183

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Balance Sheet

as at 29 February 2000

	Notes	2000 £'000	2000 £'000	1999 £'000	1999 £'000
Fixed assets					
Tangible fixed assets	7		1,738		1,537
Investments	8		-		-
Current assets					
Debtors falling due within one year	9	36,894		42,845	
Debtors falling due after more than one year	9	56,304		67,229	
Cash at bank and in hand		364		-	
		93,562		110,074	
Creditors: amounts falling due within one year	10	(1,378)		(1,315)	
Net current assets			92,184		108,759
Total assets less current liabilities			93,922		110,296
Creditors: amounts falling due after more than one year	11		(74,233)		(91,500)
Provision for liabilities and charges	12		(11)		(35)
			19,678		18,761
Capital and reserves					
Called up share capital	14		18,000		18,000
Profit and loss account	15		1,678		761
Shareholders' funds	16		19,678		18,761
Equity interests			2,878		1,961
Non-equity interests			16,800		16,800
			19,678		18,761

The financial statements were approved by the Board on 22 March 2000 and signed on its behalf by:



J H Wilkinson
Director

Cash Flow Statement

for the year ending 29 February 2000

	2000	1999
	£'000	£'000
Net cash inflow/(outflow) from operating activities	24,984	(12,015)
Returns on investments and servicing of finance		
Dividends paid on preference shares	(450)	(174)
Interest paid	(5,081)	(6,903)
Net cash outflow from returns on investments and servicing of finance	(5,531)	(7,077)
Taxation	(923)	(511)
Capital expenditure and financial investment		
Payment to acquire tangible fixed assets	(757)	(1,309)
Receipts from sales of tangible fixed assets	102	98
Net cash outflow from investing activities	(655)	(1,211)
Equity dividends paid	(180)	(90)
Net cash inflow/(outflow) before financing	17,695	(20,904)
Financing		
Repayment of long term bank loan	(17,267)	(101,500)
Increase of long term bank loan	-	21,634
Re-finance of bank loans	-	91,500
Preference shares issued	-	10,000
Net cash (outflow)/inflow from financing	(17,267)	21,634
Increase in cash in the year	428	730

Notes to the Cash Flow Statement

1. Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2000 £'000	1999 £'000
Operating profit	7,800	9,066
Depreciation of tangible assets	458	518
(Profit)/loss on disposal of tangible assets	(4)	31
Decrease/(increase) in debtors	1,101	(762)
Decrease in creditors due within one year	(146)	(737)
Increase in general and specific provisions	1,069	1,113
Capital advanced on instalment credit agreements and finance leases	(47,556)	(81,688)
Capital reduction on instalment credit agreements and finance leases	62,262	60,444
Net cash inflow/(outflow) from operating activities	<u>24,984</u>	<u>(12,015)</u>

2. Analysis of net funds/(debt)

	1 March 1999 £'000	Cash flow £'000	29 February 2000 £'000
Net cash:			
Cash at bank and in hand	–	364	364
Bank overdraft	(64)	64	–
	<u>(64)</u>	<u>428</u>	<u>364</u>
Debt:			
Debts falling due within one year	(60,100)	60,100	–
Debts falling due after one year	(31,400)	(42,833)	(74,233)
	<u>(91,500)</u>	<u>17,267</u>	<u>(74,233)</u>
Net debt	<u>(91,564)</u>	<u>17,695</u>	<u>(73,869)</u>

3. Reconciliation of net cash flow to movement in net debt

	2000 £'000	1999 £'000
Increase in cash in the year	428	730
Cash outflow/(inflow) from decrease/(increase) in debt	17,267	(21,634)
Repayment of borrowings	–	101,500
Re-financing of borrowings	–	(91,500)
Movement in net funds/(debt) in the year	<u>17,695</u>	<u>(10,904)</u>
Opening net debt	<u>(91,564)</u>	<u>(80,660)</u>
Closing net debt	<u>(73,869)</u>	<u>(91,564)</u>

Notes to the Financial Statements

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing. The financial statements are prepared in accordance with applicable Accounting Standards.

As permitted by section 229 of the Companies Act, no group accounts have been prepared.

1.2 Income from finance leases and instalment credit

Income from assets leased to customers and from instalment credit agreements is determined by spreading interest and charges over the period of repayment in proportion to the net cash investment.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold and long leasehold property	2% Straight line
Fixtures, fittings and equipment	25% Straight line
Motor vehicles	25% Straight line
Computer equipment	33% Straight line

1.4 Bad and doubtful debts

Specific provisions are made for finance lease and instalment credit receivables which are recognised to be bad or doubtful. A general provision to cover finance lease and instalment credit receivables, which are latently bad or doubtful but not yet identified as such, is also maintained. Provisions made during the year are charged to profit and loss account, net of recoveries.

Finance lease and instalment credit receivables are stated net of specific and general provisions in the balance sheet.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 Pensions

The company operates defined contribution pension schemes. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred commissions

Time apportionable commission paid is spread over the period of the repayment in proportion to the net cash investment.

Notes to the Financial Statements

2. Gross income

Gross income consists of interest, commission and charges derived from its principal activities which are wholly undertaken within the United Kingdom.

3. Profit on ordinary activities before taxation

	2000 £'000	1999 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible assets	458	337
Accelerated depreciation on computer software	–	181
Payment for early settlement of operating lease	–	150
Auditors' remuneration	15	20
Remuneration of auditors for non-audit work	44	5
And after crediting:		
Finance lease rentals	630	1,335
Profit/(loss) on disposal of tangible fixed assets	4	(31)

4. Interest payable and commission charges

	2000 £'000	1999 £'000
Commission	2,488	3,187
Other interest	32	–
Interest payable to British Linen Asset Finance Group plc	–	6,903
Interest payable to Bank of Scotland	5,525	45
	<u>8,045</u>	<u>10,135</u>

5. Taxation on profit on ordinary activities

	2000 £'000	1999 £'000
U.K. Current year taxation		
U.K. Corporation tax at 30% (1999 : 31%)	650	840
Deferred taxation	(24)	(227)
Prior years		
U.K. Corporation tax	–	103
	<u>626</u>	<u>716</u>

6. Dividends

	2000 £'000	1999 £'000
Ordinary dividends	200	90
Variable rate preference dividends	-	174
Fixed rate preference dividends	500	-
	<u>700</u>	<u>264</u>

Dividends payable to equity shareholders during the period amounted to £200,000 (1999 - £90,000) and to non-equity shareholders £500,000 (1999 - £174,000).

7. Tangible fixed assets

	Long leasehold property £'000	Freehold property £'000	Fixtures, fittings and computers £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 March 1999	639	76	1,106	377	2,198
Additions	-	-	609	148	757
Disposals	-	-	(6)	(237)	(243)
At 29 February 2000	<u>639</u>	<u>76</u>	<u>1,709</u>	<u>288</u>	<u>2,712</u>
Depreciation					
At 1 March 1999	8	4	499	150	661
Charge for the period	12	2	362	82	458
On disposals	-	-	(5)	(140)	(145)
At 29 February 2000	<u>20</u>	<u>6</u>	<u>856</u>	<u>92</u>	<u>974</u>
Net book values					
At 29 February 2000	<u>619</u>	<u>70</u>	<u>853</u>	<u>196</u>	<u>1,738</u>
At 28 February 1999	<u>631</u>	<u>72</u>	<u>607</u>	<u>227</u>	<u>1,537</u>

8. Fixed asset investments

The company holds more than 20% of the share capital of the following company:

Subsidiary undertaking companies	Nature of business	Shares held	
		Class	%
H F Direct Limited	Non-trading company	Ordinary	100

In the opinion of the directors the aggregate value of the company's investment in the subsidiary undertaking which amounts to £2 is not less than the amount included in the balance sheet.

Notes to the Financial Statements

9. Debtors

	2000 £'000	1999 £'000
Finance leases	5,636	6,421
Less: unearned interest	(826)	(1,087)
	<u>4,810</u>	<u>5,334</u>
Hire purchase contracts	100,964	122,597
Less: unearned interest	(17,803)	(21,969)
	<u>83,161</u>	<u>100,628</u>
Loans and other instalment credit contracts	3,516	1,300
Total trade debtors	<u>91,487</u>	<u>107,262</u>
Prepayments and accrued income	489	1,096
Deferred commissions	1,222	1,716
	<u>93,198</u>	<u>110,074</u>
Amounts falling due within one year	36,894	42,845
Amounts falling due after more than one year	56,304	67,229
	<u>93,198</u>	<u>110,074</u>

10. Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Bank loans and overdraft	–	64
Trade creditors	221	89
Corporation tax	379	652
Other taxation and social security	46	40
Accruals and deferred income	662	470
Dividend payable	70	–
	<u>1,378</u>	<u>1,315</u>

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

	2000 £'000	1999 £'000
Amounts due to Bank of Scotland	74,233	91,500

The amount due to Bank of Scotland is repayable on 28 February 2006. Interest is payable at a variety of rates agreed at the time of draw-down of proportions of the debt.

12. Provision for liabilities and charges

	Deferred taxation £'000
Balance at 1 March 1999	35
Profit and loss account	(24)
Balance at 29 February 2000	<u>11</u>

Deferred tax is provided at 30% (1999 - 31%) analysed over the following timing differences:

	Fully provided	
	2000 £'000	1999 £'000
Short term timing differences	168	206
Excess lease repayments over capital allowances	(157)	(171)
	<u>11</u>	<u>35</u>

13. Pension costs

The company operates pension arrangements for the benefit of certain directors which are in the nature of defined contribution schemes. The assets of the schemes are held separately from those of the company, being invested in a small self-administered pension scheme and in an executive pension plan. The charge to the profit and loss account represents contributions payable by the company to the schemes during the year and amounted to £55,949 (1999 - nil).

The company has no employee pension scheme. However, the majority of employees maintain individual pension policies to which the company makes contributions under a deed of trust. The contributions made by the company during the year totalled £64,534 (1999 - £57,365). The unpaid contributions outstanding at the year end and included within accruals and deferred income are £3,843 (1999 - £2,400).

14. Share capital

	2000 £'000	1999 £'000
Authorised		
799,999 Dividend Ordinary shares of £1 each	800	800
1 Golden share of £1	-	-
1,100,000 'A' Ordinary shares of £1 each	1,100	1,100
1,100,000 'B' Ordinary shares of 20p each	220	220
6,000,000 'A' Preference shares of £1 each	6,000	6,000
10,000,000 'C' Preference shares of £1 each	10,000	10,000
2,000,000 Deferred shares of £1 each	2,000	2,000
	<u>20,120</u>	<u>20,120</u>

Notes to the Financial Statements

14. Share capital – continued

	2000 £'000	1999 £'000
Allotted, called up and fully paid		
799,999 dividend Ordinary shares of £1 each	800	800
1 Golden share of £1	–	–
1,000,000 'A' Ordinary shares of £1 each	1,000	1,000
1,000,000 'B' Ordinary shares of 20p each	200	200
6,000,000 'A' Preference shares of £1 each	6,000	6,000
10,000,000 'C' Preference shares of £1 each	10,000	10,000
2,000,000 Deferred shares at nil value	–	–
	<hr/> 18,000 <hr/>	<hr/> 18,000 <hr/>

Dividend Ordinary shares

The Dividend Ordinary shares carry no voting rights. They are entitled to a dividend at the same rate, pro rata the par value, as a dividend paid on the 'A' and 'B' Ordinary shares and the Golden share. On a winding up of the company they are repayable at par.

Golden share

The Golden share carries one vote. It is entitled to a dividend at the same rate, pro rata its par value, as a dividend paid on the 'A' and 'B' Ordinary shares and the Dividend Ordinary shares. On a winding up of the company it is repayable at par.

'A' Preference shares

'A' Preference shares carry no voting rights and carry a nil dividend until 28 February 2004. Thereafter, they carry a 5% per annum cumulative dividend. On a winding up, they are repayable at £1.666 per 'A' preference share, ranking behind the 'C' preference shares but ahead of the other classes of shares.

'C' Preference shares

'C' Preference shares carry no voting rights, are redeemable at par on 28 February 2006, or earlier under certain circumstances, and carry a 5% per annum cumulative dividend. On a winding up they are repayable at par and rank ahead of the other classes of shares.

Deferred shares

Deferred shares carry no voting or dividend rights. On a winding up the deferred shares are repayable at £0.000001 per share once the other classes of shares have been repaid at par together with any premium.

15. Statement of movements on profit and loss account

	£'000
Balance at 1 March 1999	761
Profit for the year	917
	<hr/>
Balance at 29 February 2000	1,678

16. Reconciliation of movements in shareholders' funds

	£'000
Profit for the financial year	1,617
Dividends	(700)
Net increase in shareholders' funds	917
Opening shareholders' funds	18,761
Closing shareholders' funds	19,678

17. Directors

	2000 £'000	1999 £'000
Emoluments for qualifying services	332	282
Company pension contributions to defined contribution schemes	77	17
	409	299

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (1999 : 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

	£'000	£'000
Emoluments for qualifying services	124	149
Company pension contributions to defined contribution schemes	46	14

18. Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Sales	21	18
Administration	57	70
	78	88

Notes to the Financial Statements

18. Employees – continued

Staff costs include the following:

	2000 £'000	1999 £'000
Wages and salaries	1,552	1,506
Social security costs	142	141
Other pension costs	120	57
	<u>1,814</u>	<u>1,704</u>

19. Related party transactions

Bank of Scotland

The Bank of Scotland is a 50% equity shareholder in the company, but with less than 50% of the voting shares and is the provider of the company's main debt funding, having made available a £95 million revolving credit line due for repayment by 28 February 2006. At the balance sheet date £74,233,000 (1999 – £91,500,000) was due to Bank of Scotland and included within creditors due after more than one year. Interest charged by Bank of Scotland was £5,525,000 (1999 – £45,000) of which £521,000 (1999 – £45,000) was included within accruals and deferred income at the year end.

Europa Vehicle Management Limited

37.5% of Europa Vehicle Management Limited was acquired by J H Wilkinson on 23 July 1999 and is a vehicle asset management company. During the year £36,204 of finance was provided to Europa Vehicle Management Limited on an arm's length basis. The outstanding balances on these agreements at 29 February 2000 amounted to £29,814.

20. Control

The company is controlled by J H Wilkinson, who is a director of the company.