

NETWORK VEHICLES LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 1984



NETWORK VEHICLES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31st December 1984.

ACTIVITIES

The principal activity of the company continued to be the rental of motor vehicles on contract hire and this is likely to remain so for the foreseeable future.

RESULTS FOR THE YEAR

The profit for the year from ordinary activities after taxation and extraordinary item, amounted to £423,716 which will be carried forward to reserves. No dividend is recommended.

DIRECTORS

The directors of the company during the year were:-

P. Rodney Pollard - Chairman
H.A. Henderson - Managing
G.A.L. Faulkner
S.M. Burns
R.D. Rumney
B.C. Morris

On 4th February 1985 Mr. R.D. Rumney resigned from the Board and Mr B P P Blake was appointed to the board

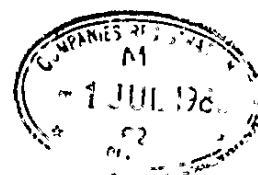
DIRECTORS' INTERESTS

The directors holding office at the end of the year and (except where they were also directors of Dial Contracts Limited of which the Company is a wholly-owned subsidiary) their interests in relevant Shares or Debentures, both beneficial and by way of options to purchase, as disclosed by the register kept under the provisions of Section 29 of the Companies Act 1967 are listed below.

	<u>Ordinary stock units of £1 each of Barclays PLC</u>			
	<u>At 31st December 1984</u>		<u>At 1st January 1984</u>	
	<u>Beneficial</u>	<u>Options</u> #	<u>Beneficial</u>	<u>Options</u> #
R.D. Rumney	1245	2230	1,053	982

* Formerly Barclays Bank PLC

Option to subscribe for Ordinary Stock under Barclays Bank Save As You Earn Stock Option Scheme.



NETWORK VEHICLES LIMITED

REPORT OF THE DIRECTORS

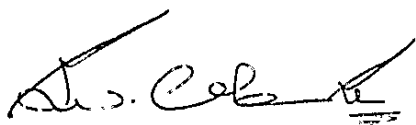
REGISTERED OFFICE

During the year the company changed its Registered Office to 2 Burston Road, Upper Richmond Road, London SW15 6SD

AUDITORS

In accordance with Section 14 of the Companies Act 1976, a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'D. C. B.', with a horizontal line underneath.

Secretary
2 Burston Road
Upper Richmond Road
London SW15 6SD

4th February 1985

AUDITORS REPORT
TO THE MEMBERS OF NETWORK VEHICLES LIMITED

We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1984 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Silvina Haskins, Self

Chartered Accountants

London

4th February 1985

NETWORK VEHICLES LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER 1984

	<u>Notes</u>	<u>1984</u> £	<u>1983</u> £
TURNOVER	2	1,811,087	908,086
COST OF SALES		<u>263,319</u>	<u>147,709</u>
GROSS PROFIT		1,547,768	760,377
DISTRIBUTION COSTS		(105,859)	(56,037)
ADMINISTRATIVE EXPENSES		(139,199)	(111,110)
OTHER OPERATING INCOME		61,328	31,197
INTEREST PAYABLE	3	<u>(895,588)</u>	<u>(468,978)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	468,450	155,449
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4(a)	<u>(175,386)</u>	<u>(80,818)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		293,064	74,631
EXTRAORDINARY INCOME	4(b) & 5	<u>130,652</u>	<u> </u>
PROFIT ON ACTIVITIES AFTER TAXATION AND EXTRAORDINARY INCOME TRANSFERRED TO RESERVES	10	<u>£ 423,716</u>	<u>£ 74,631</u>

BALANCE SHEET AT 31ST DECEMBER 1984

P. Henry Barrett)
 Attest: Attest: [Signature]) Directors

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NETWORK VEHICLES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 1984

	<u>1984</u>	<u>1983</u>
	£	£
<u>SOURCE OF FUNDS</u>		
FUNDS GENERATED FROM OPERATIONS		
Profit before taxation	468,450	155,449
Extraordinary income	130,652	-
Adjustment for items not involving the movement of funds		
Depreciation	2,604,206	1,358,415
Deferred taxation release	(130,652)	
	<u>3,072,656</u>	<u>1,513,864</u>
<u>FUNDS FROM OTHER SOURCES</u>		
Proceeds from disposal of motor vehicles on contract hire	930,783	326,741
Receipts in respect of group relief from Dial Contracts Limited	106,390	82,242
	<u>1,037,173</u>	<u>408,983</u>
	4,109,829	1,922,847
<u>APPLICATION OF FUNDS</u>		
Purchase of vehicles for contract hire	7,780,888	6,685,498
	<u>£(3,571,059)</u>	<u>£(4,762,651)</u>
<u>DECREASE IN WORKING CAPITAL</u>		
Increase in debtors	335,523	128,263
Increase in creditors	(100,887)	(86,884)
Increase in amount due to Dial Contracts Limited	(3,411,861)	(4,889,766)
Decrease (1983 Increase) in amount due to fellow subsidiary	174	(174)
Increase in deferred maintenance income	(133,657)	(108,535)
Increase in rentals received in advance	(95,424)	(140,112)
Decrease (1983 Increase) in other accruals	956	(1,952)
Increase (1983 Decrease) in bank overdraft	(165,883)	336,509
	<u>£(3,571,059)</u>	<u>£(4,762,651)</u>

NETWORK VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1984

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The company prepares its accounts on the historical cost basis of accounting.

(b) Depreciation

The cost less estimated residual value of motor vehicles on contract hire is depreciated on a straight line basis over the period of hire. The difference between sale proceeds and estimated residual value is taken to profit and loss account in the year of disposal of the vehicle.

(c) Deferred Taxation

Provision is made at the appropriate rates of taxation to take account of timing differences which exist between the treatment of certain items for accounts purposes and their treatment for taxation purposes except to the extent the directors consider it reasonable to assume that such timing differences will continue in the future. Appropriate rates are defined as the rates in force at the anticipated dates of reversal of timing differences according to the future tax rates contained in the 1984 Finance Act.

(d) Deferred Maintenance Income

In the case of hire contracts inclusive of vehicle maintenance, part of the rental charged to customers is in respect of maintenance costs to be incurred during the contract period. Any excess of the maintenance rental charged to date in respect of a vehicle, over expenditure incurred to date, is carried forward to the subsequent accounting period to off-set the increased maintenance costs likely to arise in the remainder of the contract period. Any excess maintenance costs incurred on a vehicle at 31st December over the estimate of costs to be incurred by that date is written off.

2. TURNOVER

Turnover represents the gross earnings arising in the year resulting principally from the accounting policies set out in paragraphs 1(a), (b), (c) and (d) above in connection with contract hire activities, in the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1984</u>	<u>1983</u>
	£	£
This is arrived at after charging:		
(i) Staff costs during the year:		
Wages and salaries	106,564	68,642
Social Security costs	9,004	6,386
Other pension costs	4,698	4,055
	<u>120,266</u>	<u>79,083</u>
Average weekly number of persons employed during the year	<u>13</u>	<u>8</u>

NETWORK VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1984 (continued)

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

	<u>1984</u>	<u>1983</u>
	£	£
(ii) Depreciation of motor vehicles on contract hire	2,604,206	1,358,415
(iii) Auditors' remuneration	1,200	1,020
(iv) Interest payable on bank overdraft	67,368	81,410
Interest payable on amount due to Dial Contracts Limited	828,220	387,568

Directors' Remuneration

The directors received no remuneration or other emoluments during the current or previous year.

4. TAXATION

	<u>1984</u>	<u>1983</u>
	£	£
Taxation is based on U.K. corporation tax at an average rate of 46 1/4%		

(a) The charge in the profit and loss account represents:

Amount payable (1983 receivable) in respect of group relief	20,409	(241,688)
Adjustment in respect of prior year	(3,715)	-
	<u>16,694</u>	<u>(241,688)</u>
Transfer to deferred taxation	158,692	322,506
	<u>158,692</u>	<u>322,506</u>
	<u>£175,386</u>	<u>£80,818</u>

(b) Deferred Taxation

At 1st January 1984	457,606	135,100
Transfer from profit and loss account	158,692	322,506
	<u>616,298</u>	<u>457,606</u>
Amount released in respect of the fall in tax rates	(130,652)	-
	<u>£485,646</u>	<u>£457,606</u>

NETWORK VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1984 (continued)

4. TAXATION (continued)

(b) Deferred Taxation (continued)

	<u>1984</u>	<u>1983</u>
	£	£
Analysis of timing differences:		
Accelerated tax depreciation	595,339	547,463
Other timing differences	(109,693)	(89,857)
	<u>£485,646</u>	<u>£457,606</u>

5. The extraordinary income represents a release of provision for deferred taxation in respect of the projected fall in tax rates contained in the 1984 Finance Act.

6. MOTOR VEHICLES ON CONTRACT HIRE

	<u>1984</u>	<u>1983</u>
	£	£
COST		
At 1st January 1984	8,857,092	2,728,851
Additions during the year	7,680,888	6,635,498
Disposals during the year	(1,705,493)	(557,257)
At 31st December 1984	<u>14,832,487</u>	<u>8,857,092</u>
DEPRECIATION		
At 1st January 1984	1,599,834	471,935
Charge for year	2,604,206	1,358,415
Eliminated in respect of disposals	(774,710)	(230,516)
At 31st December 1984	<u>3,429,330</u>	<u>1,599,834</u>
NET BOOK VALUE		
At 31st December 1984	<u>£ 11,403,157</u>	<u>£ 7,257,258</u>
At 31st December 1983	<u>£ 7,257,258</u>	<u>£ 2,256,916</u>

At 31st December 1984 commitments for the purchase of additions to the contract hire fleet amounted to £196,323 (1983 - £165,628).

NETWORK VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED 31ST DECEMBER 1984 (continued)

7. DEBTORS

	<u>1984</u>	<u>1983</u>
	£	£
Amounts receivable within one year:		
Trade debtors	101,829	10,608
Amounts due from Dial Contracts Limited in respect of group relief	245,404	106,391
Prepayments and accrued income	426,830	182,528
	<u>774,063</u>	<u>299,527</u>
Amounts receivable in more than one year:		
Amounts due from Dial Contracts Limited in respect of group relief	(20,409)	241,688
	<u>£753,654</u>	<u>£541,215</u>

8. ACCRUALS AND DEFERRED INCOME

	<u>1984</u>	<u>1983</u>
	£	£
Deferred maintenance income (Note 1(d))	301,460	167,803
Rentals received in advance	269,945	174,521
Other accruals	1,664	2,620
	<u>£573,069</u>	<u>£344,944</u>

9. SHARE CAPITAL

	<u>1984</u>	<u>1983</u>
	£	£
At 1st January 1984	100	100
Issued on capitalisation of reserves in accordance with a special resolution passed at a meeting of the members held on 4th June 1984	9,900	
At 31st December 1984	<u>£10,000</u>	<u>£100</u>

NETWORK VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1984 (continued)

10. PROFIT AND LOSS ACCOUNT

	<u>1984</u>	<u>1983</u>
	£	£
At 1st January 1984	18,111	(56,520)
Retained profit for the year	423,716	74,631
Amount capitalised in respect of issue of a further 9900 ordinary shares of £1 each	(9,900)	-
	<u> </u>	<u> </u>
At 31st December 1984	<u>£431,927</u>	<u>£18,111</u>

11. ULTIMATE HOLDING COMPANY

On 1st January 1985 in accordance with the Barclays Bank Act 1984 which provides for the reorganisation of the Barclays Group of companies the ultimate holding company (which is incorporated in Great Britain and was formerly known as Barclays Bank PLC) changed its name to Barclays PLC.

12. DISCLOSURE REQUIREMENTS

These financial statements are drawn up in accordance with Part I of the Companies Act 1981 and comply with Section 149 of, and Schedule 8 to, the Companies Act 1948.