

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu
International



Company Registration No. ~~1842040~~
1590965

ORCHARD SELF DRIVE LIMITED

Report and Financial Statements

30 April 1997

**Deloitte & Touche
10-12 East Parade
Leeds
LS1 2AJ**



A12 *AIH8041M* 319

COMPANIES HOUSE 26/02/98

COMPANIES HOUSE 23/02/98

**REPORT AND FINANCIAL STATEMENTS 1997****CONTENTS**

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7



REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S J Smith ACA
P J Moorhouse FCCA
G Dunn (resigned 14 June 1996)
M Dunn (resigned 14 June 1996)

SECRETARY

P J Moorhouse FCCA
M Dunn (resigned 14 June 1996)

REGISTERED OFFICE

6th Floor
Northgate House
Darlington
County Durham
DL1 1XA

BANKERS

The Royal Bank of Scotland plc
27 Blackwellgate
Darlington
DL1 5HX

SOLICITORS

Merritt & Co
The Manor House
83 High Street
Yarm
Cleveland
TS15 1BG

AUDITORS

Deloitte & Touche
Chartered Accountants
10-12 East Parade
Leeds
LS1 2AJ

**DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the sixteen months ended 30 April 1997.

ACTIVITIES

The principal activity of the company is that of hirers of self-drive motor vehicles.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

On 30 June 1996 the entire share capital of the company was acquired by Northgate Motor Holdings Ltd and the year end was changed to 30 April in line with that of the parent company.

The directors consider the performance of the company to be satisfactory and are optimistic about the future prospects.

DIVIDENDS AND TRANSFERS TO RESERVES

The profit on ordinary activities after taxation for the period was £28,364 (1995: £44,158). The directors do not propose the payment of a dividend (1995: £33,000) and the retained profit of £28,364 (1995: £11,158) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors of the company are set out on page 1. No director held interests in the company's share capital.

The directors interest in the shares of the ultimate parent company, Goode Durrant plc, at 1 May 1996 and 30 April 1997, is disclosed in the financial statements of this company's immediate parent company, Northgate Motor Holdings Limited.

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the company during the year.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

P J Moorhouse

Secretary

12 January 1998

**STATEMENT OF 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 as at the end of the financial year 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
- 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.

Approved by the Board of Directors
and signed on behalf of the Board

P J Moorhouse

Secretary

12 January 1998



Chartered Accountants

Deloitte & Touche
10-12 East Parade
Leeds LS1 2AJ

Telephone: National 0113 243 9021
International + 44 113 243 9021
Fax: 0113 244 5580
DX 26423

AUDITORS' REPORT TO THE MEMBERS OF

ORCHARD SELF DRIVE LIMITED

We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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 30 April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

22 February 1998


PROFIT AND LOSS ACCOUNT
Period ended 30 April 1997

	Note	16 months to 30 April 1997 £	Year to 31 December 1995 £
TURNOVER: continuing operations	2	2,187,279	1,079,860
Cost of sales		(1,561,357)	(710,337)
Gross profit		625,922	369,523
Administrative expenses		(385,891)	(224,456)
Other operating income		2,424	2,065
OPERATING PROFIT: continuing operations	4	242,455	147,132
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		242,455	147,132
Interest receivable and similar income		46	119
Interest payable and similar charges	5	(173,589)	(86,788)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,912	60,463
Tax on profit on ordinary activities	6	(40,548)	(16,305)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		28,364	44,158
Dividends - equity shares		-	(33,000)
PROFIT FOR THE FINANCIAL PERIOD/ YEAR RETAINED AND TRANSFERRED TO RESERVES	13	28,364	11,158

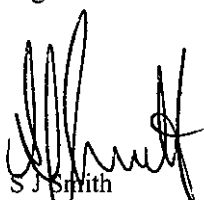
There are no recognised gains or losses for the current financial year and preceding financial year other than as stated above.


BALANCE SHEET
30 April 1997

	Note	30 April 1997 £	31 December 1995 £
FIXED ASSETS			
Tangible assets	7	2,691,771	1,087,922
CURRENT ASSETS			
Stocks	8	20,358	9,880
Debtors	9	530,400	333,272
Cash at bank and in hand		200	100
		550,958	343,252
CREDITORS: amounts falling due within one year	10	(1,595,116)	(621,439)
NET CURRENT LIABILITIES		(1,044,158)	(278,187)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,647,613	809,735
CREDITORS: amounts falling due after more than one year			
Bank loans and overdrafts	11	(1,279,997)	(516,083)
Obligations under hire purchase contracts due between two and five years			
PROVISIONS FOR LIABILITIES AND CHARGES	12	(87,000)	(41,400)
		280,616	252,252
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account	13	280,516	252,152
TOTAL EQUITY SHAREHOLDERS' FUNDS		280,61	252,252

These financial statements were approved by the Board of Directors on 12 January 1998.

Signed on behalf of the Board of Directors


S J Smith
Director

NOTES TO THE ACCOUNTS
Period ended 30 April 1997

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of freehold property.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	20% straight line basis
Hire motor vehicles	24%-30% straight line basis
Fixtures, fittings, tools and equipment	20% straight line basis
Computer equipment	33.3%-50% straight line basis

The rate of depreciation on computer equipment (within the category of fixtures and fittings) was changed from 25% on cost to 33.3%-50% on cost, and the rate of depreciation on other fixtures and fittings was changed from 5% on cost to 20% on cost with effect from 1 July 1996.

The method of depreciation used on motor vehicles was changed from 25% reducing balance to 24%-30% on cost with effect from 1 July 1996.

These changes bring the accounting policy in line with the group accounting policy of Northgate Motor Holdings Limited.

The new rates for fixtures and fittings and the new method of depreciation for motor vehicles increases the depreciation charge by £51,000 in the current period's profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Leases

Assets obtained under hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Pension costs

The group operated a defined contribution pension scheme and a Group Personal Pension Scheme for all qualifying employees. The cost of these is charged to the profit and loss account in the period in which it is incurred.


NOTES TO THE ACCOUNTS
Period ended 30 April 1997
2. TURNOVER

Turnover represents amounts derived from the provision of UK goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	16 months to 30 April 1997 £	Year ended 31 December 1995 £
Director's emoluments (excluding pension contributions)	7,715	23,840
Pension contributions	50,510	612
	<u>58,225</u>	<u>24,452</u>

One of the directors received accrued benefits under the defined contribution pension scheme.

	No	No
Average number of persons employed		
Production	2	1
Sales and distribution	6	4
Administration	3	3
	<u>11</u>	<u>8</u>
	£	£
Staff costs during the period (including directors)		
Wages and salaries	160,728	88,184
Social security costs	11,544	8,928
Other pension costs	51,424	612
	<u>223,696</u>	<u>97,724</u>

4. OPERATING PROFIT

	16 months to 30 April 1997 £	Year ended 31 December 1995 £
Operating profit is after charging/(crediting):		
Profit on disposal of fixed assets	(10,051)	(11,684)
Depreciation and amortisation		
Owned assets	305,965	33,384
Leased assets	418,017	231,798
Other rental income - vehicles for hire	(1,994,322)	(954,254)
Rentals under operating leases		
Hire of plant & machinery	749	-
Other operating leases	454,227	288,106
Auditors' remuneration - audit fees	4,749	2,100
	<u></u>	<u></u>

NOTES TO THE ACCOUNTS
Period ended 30 April 1997

5. INTEREST PAYABLE AND SIMILAR CHARGES

	16 months to 30 April 1997	Year ended 31 December 1995
	£	£
Bank loans, overdrafts and other loans repayable within five years	53,504	8,177
Hire purchase contracts	120,085	78,611
	<u>173,589</u>	<u>86,788</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	16 months to 30 April 1997	Year ended 31 December 1995
	£	£
United Kingdom corporation tax at 33% (1995 - 25%) based on the profit for the year	3,917	3,964
Deferred taxation	26,000	12,100
Group relief	-	-
	<u>29,917</u>	<u>16,064</u>
Adjustments to prior years' tax provisions		
Corporation tax	(8,969)	241
Deferred tax	19,600	-
	<u>40,548</u>	<u>16,305</u>


NOTES TO THE ACCOUNTS
Period ended 30 April 1997
7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Hire motor vehicles £	Total £
Cost or valuation			
At 1 January 1996	65,752	1,479,858	1,545,610
Additions	16,509	2,521,406	2,537,915
Disposals	-	(470,952)	(470,952)
At 30 April 1997	<u>82,261</u>	<u>3,530,312</u>	<u>3,612,573</u>
Accumulated depreciation			
At 1 January 1996	52,674	405,015	457,689
Charge for the year	12,672	711,310	723,982
Disposals	-	(260,869)	(260,869)
At 30 April 1997	<u>65,346</u>	<u>855,456</u>	<u>920,802</u>
Net book value			
At 30 April 1997	<u>16,915</u>	<u>2,674,856</u>	<u>2,691,771</u>
At 31 December 1995	<u>13,078</u>	<u>1,074,844</u>	<u>1,087,922</u>

The net book value of the company's fixed assets includes the following assets held under hire purchase agreements at 30 April 1997:

	Hire motor vehicles £
Cost	1,106,744
Accumulated depreciation	<u>(459,773)</u>
Net book value	<u>646,971</u>
Depreciation charge for the period	<u>418,017</u>

8. STOCKS

	30 April 1997 £	31 December 1995 £
Stock on hand	<u>20,358</u>	<u>9,880</u>


NOTES TO THE ACCOUNTS
Period ended 30 April 1997
9. DEBTORS

	30 April 1997	31 December 1995
	£	£
Trade debtors	339,397	284,821
Other debtors	123,661	7,657
Corporation tax debtor	-	784
ACT recoverable	-	5,079
Prepayments and accrued income	65,030	34,931
Amounts owed by fellow subsidiary undertakings	2,312	-
	<u>530,400</u>	<u>333,272</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 April 1997	31 December 1995
	£	£
Amounts owed to fellow subsidiary undertakings	10,643	-
Bank loans and overdrafts	1,066,915	55,103
Trade creditors	31,023	52,388
Directors current accounts	-	1,460
Obligations under hire purchase contracts	324,248	454,511
Other taxes and social security	5,375	14,083
Corporation tax	3,917	11,749
Other creditors	6,010	9,413
Accruals and deferred income	146,985	22,732
	<u>1,595,116</u>	<u>621,439</u>

11. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 April 1997	31 December 1995
	£	£
Revolving credit facility due within two to five years	600,000	41,646
Allied Dunbar loan	-	12,100
Obligations under hire purchase contracts	166,730	454,024
Amounts owed to parent company	513,265	-
Accruals and deferred income	-	8,313
	<u>1,279,997</u>	<u>516,083</u>


NOTES TO THE ACCOUNTS

Period ended 30 April 1997

12. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Balance at 1 January 1996	41,400
Provision - current year	26,000
- prior period	19,600
	<hr/>
Balance at 30 April 1997	87,000
	<hr/>

The amounts provided in the accounts and the amounts not provided are as follows:

	Provided		Not provided	
	30 April 1997	31 December 1995	30 April 1997	31 December 1995
	£	£	£	£
Capital allowances in advance of depreciation	93,000	41,400	-	-
Other timing differences	(6,000)	-	-	-
ACT recoverable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	87,000	41,400	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

13. RESERVES

	Profit & loss account £
At 1 January 1996	252,152
Profit retained for the period	28,364
	<hr/>
At 30 April 1997	280,516
	<hr/>

14. CALLED UP SHARE CAPITAL

	30 April 1997	31 December 1995
	£	£
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Called up, allotted and fully paid 100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>


NOTES TO THE ACCOUNTS
Period ended 30 April 1997
15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 April 1997 £	31 December 1995 £
Profit for the 16 month period	28,364	44,158
Less : Dividends	-	(33,000)
Net increase in shareholders' funds	28,364	11,158
Opening shareholders' funds	252,252	241,094
Closing shareholders' funds	<u>280,616</u>	<u>252,252</u>

16. FINANCIAL COMMITMENTS
Operating lease commitments

At 30 April 1997, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £	Other £
Leases which expire:		
Within one year	833	219,449
Between two and five years	-	803
After five years	-	96
	<u>833</u>	<u>220,348</u>

17. PENSION SCHEME

The company was party to a group defined contribution pension scheme for part of the year ended 30 April 1997. The total pension cost for the company was £51,424 (1996: £612). Outstanding contributions at the balance sheet date were £1,199 (1995: £Nil).

This scheme ceased on 31 March 1997 and, from 1 April 1997, the group contributed to a Group Personal Pension Scheme.

18. BANK LOAN AND OVERDRAFT

The bank loan and overdraft are secured by fixed and floating charges over all the company's assets.

There are unlimited cross-guarantees by each of the companies within the Northgate Motor Holdings Limited group to each other. The total amount outstanding at 30 April 1997 was £53,399,000.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in FRS8 not to disclose details of related party transactions with other group companies as it is a wholly owned subsidiary.

**NOTES TO THE ACCOUNTS****Period ended 30 April 1997****20. ULTIMATE PARENT COMPANY**

The ultimate parent company is Goode Durrant plc, and the immediate parent company is Northgate Motor Holdings Limited. Both companies are incorporated in Great Britain and registered in England. Copies of the financial statements of both companies can be obtained from 6th Floor, Northgate House, Darlington, County Durham, DL1 1XA.