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TLS RANGE
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COMPANY INFORMATION

DIRECTORS

R D Yeomans – Chairman (Non-executive)
P A Roberts – Chief executive
C J Miller – Commercial director
J D Conway – Development director
P S Busby FCA – Finance director

SECRETARY AND REGISTERED OFFICE

J W Stewart FCA
82 Church Street
Eccles
Manchester M30 0DA
Telephone: 0161 787 7978
Fax: 0161 787 7413

STOCKBROKERS

Albert E Sharp & Co
Edmund House
12 Newhall Street
Birmingham B3 3ER

TAXATION ADVISERS

Grant Thornton
Chartered Accountants
Heron House
Albert Square
Manchester M2 5HD

LEGAL ADVISERS

Halliwell Landau
St. James's Court
Brown Street
Manchester M2 2JF
Cooper Sons, Hartley & Williams
Solicitors
Woolwich House
61 Mosley Street
Manchester M2 3HZ
David C Clapham
Solicitor and notary public
79 West Regent Street
Glasgow G2 2AW

AUDITORS

Binder Hamlyn
Chartered Accountants
1 Norfolk Street
Manchester M60 8BH

BANKERS

The Royal Bank of Scotland plc
PO Box 20
27 Great Underbank
Stockport
Cheshire SK1 1LN

REGISTRARS

C.I. Registrars Limited
PO Box 30
Victoria Street
Luton
Bedfordshire LU1 2PZ

REPORT AND ACCOUNTS 1994



TLS RANGE
plc

COMPANY PROFILE

TLS is a leading vehicle rental company providing cars and commercial vehicles for short term and contract hire to a wide range of users including commercial industrial and public.

Its aim is:

to become a national company through being the preferred regional supplier of rental and contract hire vehicles.

THE BOARDROOM MEMBERS



Reading from left to right:

Front row: Peter Roberts – Chief executive; David Yeomans – Chairman
Back row: John Stewart – Secretary; Jim Conway – Development director
Peter Busby – Finance director; Clive Miller – Commercial director

FIVE YEAR SUMMARY

	1990 £,000	1991 £,000	1992 £,000	1993* £,000	1994 £,000
Turnover	8,804	9,970	9,790	11,626	25,364
Operating profit	1,948	1,166	740	730	3,146
Net finance charges	1,141	1,425	930	521	1,434
Profit (loss) before taxation	807	(259)	(190)	209	1,712
Vehicles out on hire	11,896	11,988	9,087	16,365	30,305
Property and equipment	1,560	1,630	1,379	1,727	1,882
Working capital	13,456 777	13,618 1,008	10,466 1,466	18,032 1,340	32,187 (1,863)
Capital employed	14,233	14,626	11,932	19,432	30,324
Less: net borrowings	8,722	9,625	6,460	11,163	21,166
deferred taxation	81	62	62	367	505
Equity shareholders' funds	5,430	4,939	5,410	7,902	8,653
Operating profit/average capital employed %	15.2	8.1	5.6	5.7	14.3
Operating profit/turnover %	22.1	11.7	7.6	6.3	12.4
Profit (loss) before tax/turnover %	9.2	(2.6)	(1.9)	1.8	6.7
Operating profit/finance charges (times)	1.7	0.8	0.8	1.4	2.2
Net borrowings/shareholders funds (times)	1.6	1.9	1.2	1.4	2.4
Net assets per share (pence)	32.1	29.2	23.9	21.9	24.0
Number of vehicles in the fleet as at 31 December	1,938	1,934	1,738	3,056	4,370

* Certain 1993 balance sheet figures have been restated to reflect the adoption of FRS 5, Reporting the Substance of Transactions.

SHAREHOLDERS' INFORMATION

RELEVANT DATES

Interim announcement	8 September 1994	Interim dividend	14 October 1994
Preliminary announcement	30 March 1995	Final dividend:	
Report and accounts posted	28 April 1995	Record date	5 May 1995
Annual general meeting	24 May 1995	Payment date	2 June 1995

CHAIRMAN'S STATEMENT

INTRODUCTION

The improved performance that I was pleased to report in my Interim Statement continued into the second half of the year which resulted in record profits for the full period. This performance has given the board the confidence to recommend a final dividend of 1p per share making a total of 1.5p per share for the year, an increase of 200%.

TLS has made substantial progress in achieving its objective of becoming the preferred regional supplier of rental vehicles. We have undoubtedly improved the market's perception of TLS in terms of the quality of our vehicles, the quality of the service that we provide and our commitment to deliver value for money. The effect is that we have substantially improved volumes, margins and customer profile. During the year we expanded into new key geographical areas in Liverpool and Birmingham.

Borrowings, which are matched to hire vehicle assets and contract hire receivables were controlled at a satisfactory level of 245%. Strong cash flows enabled the Group to invest £30m in additional vehicles during the year and cash balances at the year end totalled £3.8m compared to £1.2m at the start of the period.

We have continued to apply our strategy of reducing our exposure to increases in interest rates by having 91% of borrowing on fixed rate contracts.

During the year, in view of the significant growth in number and in the proportion of commercial vehicles to the total fleet, your directors reviewed and refined the accounting policy for the treatment of vehicle rebates earned from the purchase of vehicles. After consultation with the auditors your board have adopted a more conservative accounting policy and rebate income from suppliers is now credited to the profit and loss account over the period of the vehicles' use. This has resulted in the reallocation at 31 December 1994 of £2.6m of income into future years. The previous accounting policy, had it applied, would have recognised rebate income immediately it was earned resulting in pre-tax profits of £4.3m for the year under review.

RESULTS

It is very pleasing after 3 years of hard work to report that TLS has had a very successful year and achieved record pre-tax profits of £1.712m (1993 – £0.209m).

Turnover increased 118% to £25.4m (1993 – £11.6m) of which the acquisition of Auto-Rentals accounted for 60% and organic growth within TLS 58%. Operating profits rose 331% to £3.1m (1993 – £0.7m). Interest cover improved to 2.2 times (1993 – 1.4), and the dividend cover is 2.4 times (1993 – 1.2). Earnings per share, after a tax charge of 24.3% (1993 – nil) increased by 300% to 3.6p (1993 – 0.9p).

DIVIDEND

A final dividend of 1p per share is recommended, giving a total for the year of 1.5p per share (1993 – 0.5p), an increase of 200%.

REVIEW OF ACTIVITIES

The Group has had a rewarding year. All our depots increased their levels of activity, vehicle fleet size and net contributions. Demand from existing and new customers has been strong throughout the year. Profits from the sale of our used vehicles have risen as a result of better residual values and our conservative vehicle fleet provisions policy.

Average utilisation of the short term hire fleet for the 12 months increased markedly with cars at 85.4% (1993 – 83.8%) and commercials at 87.9% (1993 – 79.9%) against a background of an increase in the average short term hire fleet of 80% to 2,447 units (1993 – 1,358). This resulted in a dramatic increase in the average number of vehicles on rent during the year to 2,004 (1993 – 1,107). The short term hire fleet was 3,243 at 31 December 1994 (1993 – 1,785).

The cost of maintaining the short term hire fleet reduced by £242,000 despite the 80% increase in average fleet size, reflecting your board's policy of reducing the average age of the fleet.

Auto-Rentals, based at Stroud and purchased in December 1993 has performed particularly well, increasing turnover to £7.1m (1993 – £6.2m) and advancing pre-tax profits to £0.75m (1993 – £0.65m). The contract hire fleet reduced slightly in the year when the short term hire fleet more than doubled to 515 vehicles. I am delighted to report that all of the staff at Stroud have worked hard to ensure that the two businesses merged successfully. There are many opportunities for us to develop this business further.

CHAIRMAN'S STATEMENT

As I reported in my Interim Statement we moved our Glasgow depot in March to well located and much improved premises adjacent to the Scottish Exhibition Centre. This enhanced exposure and improved working conditions resulted in our being recognised by our customers as a leading supplier of rental vehicles in Scotland. The business is well placed to expand further its coverage in Scotland. I congratulate Jim Conway and his team in Scotland on their outstanding results.

During the year we opened new depots in two major cities, Liverpool and Birmingham. In November we moved our Liverpool operation onto the Peoples Dealership complex in Bootle giving us much improved presence. This is a new strategy for TLS, linking up with a leading Ford Car Van and Iveco Ford Truck Dealership for the benefit of both businesses. We have already seen the advantage of being in Liverpool with an increased level of business from the Merseyside region.

After recruiting an experienced manager and staff we opened our first depot in Birmingham near Spaghetti Junction (Gravelly Hill interchange, Junction 6 M6) in November. The early signs are that we will do well in the Midlands with support from our existing Wolverhampton depot and workshop facility.

In the Autumn, after review, we closed Wrexham and merged the vehicles into our Chester depot. Much of the Wrexham customer base has been retained providing the company with achievement of critical mass at Chester and a much improved level of contribution.

MANAGEMENT

Peter Busby FCA joined the board as finance director in April which has enabled Peter Roberts to concentrate more on his chief executive responsibilities.

PROSPECTS

The year has started extremely well with our performance substantially ahead of budget for the first two months of the year. The early indications are that we can look forward to another year of first rate progress.

Demand for our services continues to rise, reflecting improved vehicle quality, customer care and focused regional sales teams. The short term hire fleet size and utilisation levels are much better than expected and there are signs of an improvement in the level of new contracts being undertaken by the Group.

It is our intention in May 1995 to apply to the London Stock Exchange to transfer the company from the Unlisted Securities Market to the Official List. It is also proposed (subject to shareholders' approval) to change the name of the company to TLS Plc.

Thanks to the hard work of our employees we have a strong cash flow and good cash balances. With the current team there are great opportunities to drive the business forward and we continue to seek the chance to grow the business organically and through acquisition. TLS is well placed to exploit the opportunities available to it.

David Yeomans
30 March 1995

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 the company and the group as at the end of the financial year and of the profit or loss for that period. In preparing these financial statements the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- (d) 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 the group 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 the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT

To the members of TLS RANGE plc

Introduction

We have audited the financial statements on pages 10 to 23, which have been prepared on the basis of the accounting policies set out on page 15.

Respective responsibilities of directors and auditors

As described above the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion set out below we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and of the group as at 31 December 1994 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BINDER HAMLYN
Chartered Accountants
Registered Auditors

Binder Hamlyn

1 Norfolk Street
Manchester M60 8BH
30 March 1995

REPORT OF THE DIRECTORS

INTRODUCTION

The directors have approved this report. The audited accounts of the company for the year ended 31 December 1994 will be laid before the shareholders at the annual general meeting to be held on 24 May 1995.

PRINCIPAL ACTIVITIES

The group is engaged in short term and contract hire of cars, commercial and specialised civil engineering vehicles. A review of the group's operations for the year is given in the chairman's statement on pages 4 and 5.

DIVIDENDS AND TRANSFER TO RESERVES

An interim dividend of 0.5p per share was paid in October 1994. The directors recommend a final dividend of 1p per share. These dividends absorb £540,000. £756,000 has been transferred to reserves.

CHANGES IN THE VEHICLE FLEET

Fleet additions amounted to £29.9m. Disposal proceeds amounted to £9.1m. The number of vehicles at the end of the year was 4,370 (1993 - 3,056).

CHANGES IN FIXED ASSETS

The changes to fixed assets are summarised in notes 10 and 11 on pages 18 and 19. In the opinion of the directors there is no significant difference between the market value of the group's interests in land at 31 December 1994 and the amount at which they are included in the group's balance sheet.

SPECIAL BUSINESS AT THE ANNUAL GENERAL MEETING

There are four items of special business to be proposed at the annual general meeting. A brief description of each of these proposals is as follows:

Dividend alternative - (item 5 on the agenda).

The resolution if passed would authorise the board to allow shareholders to receive fully paid up ordinary shares in place of cash for any dividend or part thereof declared in respect of the financial year ending 31 December 1995.

Authority to allot shares - (items 6 and 7 on the agenda)

Resolutions will be proposed to renew for a further year the authority for the directors to allot ordinary shares and to exclude shareholders' pre-emption rights where ordinary shares are allotted to them pursuant to a rights issue subject, in both cases, to the limits set out in the resolutions. Save for the allotment of shares to satisfy the exercise of share options, the directors have no present intention of making allotments pursuant to these authorities.

Proposed change of name - (item 8 on the agenda)

A resolution will be proposed to change the name of the company to TLS Plc. The directors consider the proposed new name more accurately reflects the perception of the company held by customers, the market and suppliers.

BOARD OF DIRECTORS

The names of the present members of the board are set out on page 2. They, together with Mr B A Denvir who ceased to be a director on 13 March 1995 were the directors who served throughout the financial year save for Mr P S Busby who was appointed on 1 April 1994.

The chairman, Mr Yeomans, aged 52 is a non-executive director and is operations director of Milk Marque. All the directors serve under twelve month rolling contracts or consultancy agreements.

DIRECTORS' INTERESTS IN SHARES (all beneficial)

The interests of the directors in office at the end of the year together with corresponding figures at the beginning of the year (or date of appointment if later) are set out below:-

	31 December 1994		1 January 1994	
	Issued Shares	Option Shares	Issued Shares	Option Shares
R D Yeomans	415,826	-	403,326	-
P A Roberts	2,975,388	175,000	2,975,388	72,000
C J Miller	1,285,750	175,000	1,349,500	72,000
B A Denvir	93,834	100,000	93,834	35,000
J D Conway	3,590,470	175,000	3,590,470	-
P S Busby	106,250	100,000	-	-

In January 1995 P A Roberts bought 6,334 shares, B A Denvir bought 8,333 shares and J D Conway bought 8,333 shares. There have been no other changes in the directors' interests between 31 December 1994 and the date of this report.

REPORT OF THE DIRECTORS

SHARE OPTIONS

	Number of shares under option				Additional details		
	Total granted in 1993	Total held at 1.1.94	Total granted in 1994	Total held at 31.12.94	Exercise price	Date from which exercisable	Expiry date
Directors							
R D Yeomans	—	—	—	—	—	—	—
P A Roberts	72,000	72,000	—	72,000	17p	21.1.96	21.1.03
	—	—	103,000	103,000	34p	24.1.97	24.1.04
C J Miller	72,000	72,000	—	72,000	17p	21.1.96	21.1.03
	—	—	103,000	103,000	34p	24.1.97	24.1.04
B A Denvir	35,000	35,000	—	35,000	17p	21.1.96	21.1.03
	—	—	65,000	65,000	34p	24.1.97	24.1.04
J D Conway	—	—	175,000	175,000	34p	24.1.97	24.1.04
P S Busby	—	—	100,000	100,000	35p	21.4.97	21.4.04
	<u>179,000</u>	<u>179,000</u>	<u>546,000</u>	<u>725,000</u>			
	Number of shares under option				Additional details		
	Total held at 1.1.94	Total granted in 1994	Total lapsed in 1994	Total held at 31.12.94	Exercise price	Date from which exercisable	Expiry date
Non-directors							
	276,000	—	(9,000)	267,000	17p	21.1.96	21.1.03
	—	487,500	(150,000)	337,500	34p	24.1.97	24.1.04
	<u>276,000</u>	<u>487,500</u>	<u>(159,000)</u>	<u>604,500</u>			

Share options are granted under seal and therefore at no cost to either the company or the grantee.

The exercise price is arrived at by calculating the average of the middle market price of the company's shares on the three business days immediately before the business day on which invitations to apply for the grant of an option are issued. There are no performance criteria conditional upon which the option invitations are issued.

The middle market price of the company's shares at 31 December 1994 was 41p and the range during the year 1994 was between 31p and 44p.

SUBSTANTIAL SHAREHOLDERS (OTHER THAN DIRECTORS)

As at 30 March 1995 the following interests (as defined in section 199 of the Companies Act 1985) which:

- (a) being material interests represent more than 3% of the nominal share capital; or
 - (b) not being material interests represent more than 10% of the nominal share capital
- had been notified to the company.

	Number of shares	Percentage of issued share capital
Friends' Provident group	6,016,195	16.67
C B Nominees Ltd	1,289,378	3.57

CORPORATE GOVERNANCE

Following the issue of the Code of Best Practice ("the Code") of the Cadbury Committee on the Financial Aspects of Corporate Governance, the directors have reviewed the group's compliance with the Code during the year. Although acknowledging the Code's recommendations and conducting the governance of the group's business in accordance with the spirit of these recommendations wherever possible, there are certain areas of compliance which are impracticable. These are dealt with at items (a) to (c) below.

- (a) The company does not have remuneration and audit committees as recommended by the Code. The directors believe that because of the size of the group and its management and control structures there is no need for such committees at this time; however, this recommendation will be regularly reviewed.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE *(continued)*

- (b) Currently the board comprises a non-executive chairman, a chief executive and three other executive directors. The executive directors are drawn from different disciplines within the group so as to provide both balanced management and critical assessment of the group's activities, whilst ensuring that no one director can unduly influence decisions or group policy.

The board considers that given the size and nature of the company's present business, the existing flexibility and control of the company by the board should be maintained. The board also considers that it is not in the interests of shareholders to appoint additional non-executive directors for the sole purpose of compliance with the Code at this stage in the company's development.

- (c) So far as the requirement to report on the effectiveness of the company's system of internal control is concerned, the necessary guidance for directors was published in December 1994 but does not take effect until after the financial year end.

The directors have determined which matters are reserved for the board as a whole and have agreed that any of them has the right to obtain external professional advice at the company's expense. Directors' emoluments including any bonuses and participation in the company's share option scheme are considered and agreed by the board as a whole.

After making enquiries, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Auditors' review

The company's auditors, Binder Hamlyn, have reviewed this statement in accordance with guidance issued by the Auditing Practices Board. The auditors have confirmed that the directors' comments on going concern set out above are consistent with the information of which they are aware based on their normal audit work on the accounts and satisfied themselves that the statement appropriately reflects the company's compliance with the other paragraphs of the Code specified by the London Stock Exchange for their review.

SIGNIFICANT CONTRACTS

There were no contracts of significance during the year in which a director of the company is or was materially interested.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the company has maintained indemnity insurance for its directors and officers against liabilities which could arise in the discharge of their duties.

TAXATION STATUS

So far as the directors are aware the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company and there has been no change in this respect since the end of the financial year.

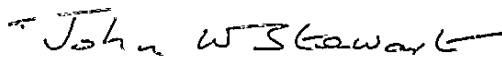
AUDITORS

On 1 October 1994 the auditors, BDO Binder Hamlyn changed their name to Binder Hamlyn. A resolution to re-appoint Binder Hamlyn as auditors will be submitted to the annual general meeting.

82 Church Street
Eccles
Manchester M30 0DA

30 March 1995

Signed on behalf
of the board



J W Stewart
Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1994

	Notes	1994 £'000	1993 £'000
TURNOVER			
Cost of sales	2	25,364	11,626
		<u>18,909</u>	<u>9,033</u>
GROSS PROFIT		6,455	2,593
Administrative expenses		<u>3,309</u>	<u>1,863</u>
OPERATING PROFIT			
	3	3,146	730
Other income		14	—
Interest receivable		11	2
Interest payable	6	<u>1,459</u>	<u>523</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,712	209
Taxation	7	<u>416</u>	<u>—</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND ATTRIBUTABLE TO SHAREHOLDERS		1,296	209
DIVIDENDS	8	<u>540</u>	<u>180</u>
TRANSFER TO RESERVES	20	<u>756</u>	<u>29</u>
EARNINGS PER 5p SHARE		3.6p	0.9p

The earnings per 5p share have been calculated using the profit on ordinary activities after taxation and on the number of shares in issue during the year of 36,087,946 (1993 – a weighted average of 23,166,028).

Movements in shareholders' funds are given in note 21, on page 23.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses in the financial year other than the profit for the period.

CONSOLIDATED BALANCE SHEET

as at 31 December 1994

	Notes	1994 £'000	1993* £'000
FIXED ASSETS:			
Tangible assets			
Contract hire vehicles	11	6,622	7,238
Properties	10	1,516	1,393
Equipment, fixtures and fittings	10	366	334
		<u>8,504</u>	<u>8,965</u>
CURRENT ASSETS:			
Short term hire vehicles	11	23,683	9,127
Vehicle parts stocks and fuel		225	301
Debtors	13	6,117	4,180
Bank and cash balances		<u>3,842</u>	<u>1,181</u>
		<u>33,867</u>	<u>14,789</u>
CREDITORS:			
Amounts falling due within one year			
Hire purchase finance		9,111	6,351
Bank loans and overdrafts		400	534
Loan stock		62	68
Other creditors	14	<u>8,205</u>	<u>3,141</u>
		<u>17,778</u>	<u>10,094</u>
NET CURRENT ASSETS		<u>16,089</u>	<u>4,695</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,593</u>	<u>13,660</u>
CREDITORS:			
Amounts falling due after more than one year – note 12			
Hire purchase finance		15,435	4,991
Bank loans		–	400
		<u>15,435</u>	<u>5,391</u>
PROVISION FOR LIABILITIES AND CHARGES:			
Deferred taxation	15	<u>505</u>	<u>367</u>
		<u>15,940</u>	<u>5,758</u>
		<u>8,653</u>	<u>7,902</u>
CAPITAL AND RESERVES:			
Called up share capital	16	1,804	1,804
Share premium account	17	2,702	2,702
Special reserve	18	1,548	1,553
Revaluation reserve	20	78	80
Other reserves	20	229	229
Profit and loss account	20	<u>2,292</u>	<u>1,534</u>
EQUITY SHAREHOLDERS' FUNDS		<u>8,653</u>	<u>7,902</u>

* Restated – see note 12.

COMPANY BALANCE SHEET

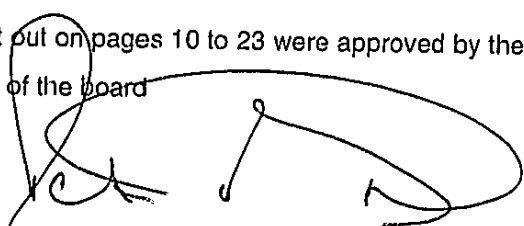
as at 31 December 1994

	Notes	1994 £'000	1993 £'000
FIXED ASSETS:			
Tangible assets			
Contract hire vehicles	11	6,622	1,033
Properties	10	1,045	660
Equipment, fixtures and fittings	10	366	263
		<u>8,033</u>	<u>1,956</u>
Shares in subsidiary undertakings	9	695	695
		<u>8,728</u>	<u>2,651</u>
CURRENT ASSETS:			
Short term hire vehicles	11	23,683	7,580
Vehicle parts stocks and fuel		225	275
Debtors	13	6,580	4,872
Bank and cash balances		3,842	1,071
		<u>34,330</u>	<u>13,798</u>
CREDITORS:			
Amounts falling due within one year			
Hire purchase finance		9,111	2,955
Bank loans and overdrafts		400	534
Loan stock		62	68
Other creditors	14	9,398	2,724
		<u>18,971</u>	<u>6,281</u>
NET CURRENT ASSETS		<u>15,359</u>	<u>7,517</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,087</u>	<u>10,168</u>
CREDITORS:			
Amount falling due after more than one year – note 12			
Hire purchase finance		15,435	2,005
Bank loans		—	400
		<u>15,435</u>	<u>2,405</u>
PROVISION FOR LIABILITIES AND CHARGES:			
Deferred taxation	15	505	367
		<u>15,940</u>	<u>2,772</u>
		<u>8,147</u>	<u>7,396</u>
CAPITAL AND RESERVES:			
Called up share capital	16	1,804	1,804
Share premium account	17	2,702	2,702
Special reserve	18	1,548	1,553
Revaluation reserve	20	10	10
Profit and loss account	20	2,083	1,327
		<u>8,147</u>	<u>7,396</u>

The accounts set out on pages 10 to 23 were approved by the board on 30 March 1995.

Signed on behalf of the board

P S Busby
Director



CASH FLOW STATEMENT

for the year ended 31 December 1994

	1994 £'000	1993* £'000
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	<u>12,711</u>	<u>(5,143)</u>
Returns on investments and servicing of finance		
Interest received	12	1
Interest paid	(1,229)	(556)
Dividends paid	(360)	(57)
Net cash outflow from returns on investments and servicing of finance	<u>(1,577)</u>	<u>(612)</u>
Taxation		
Corporation tax paid	(28)	—
Corporation tax recovered	—	30
Advance corporation tax paid	—	(46)
Tax paid	<u>(28)</u>	<u>(16)</u>
Investing activities		
Payments to acquire hire vehicles	(29,886)	(4,946)
Receipts from sale of hire vehicles	<u>9,102</u>	<u>3,669</u>
	(20,784)	(1,277)
Purchase of subsidiary undertakings	(5)	(532)
Payments to acquire tangible fixed assets	<u>(320)</u>	<u>(171)</u>
Net cash outflow from investing activities	<u>(21,109)</u>	<u>(1,980)</u>
Net cash outflow before financing	<u>(10,003)</u>	<u>(7,751)</u>
Financing		
Share capital issued (net of expenses)	—	2,875
New loans raised	—	1,000
New hire purchase finance	23,864	11,143
Hire purchase repayments	(10,660)	(3,934)
Loan repayments	<u>(540)</u>	<u>(81)</u>
Net cash inflow from financing	<u>12,664</u>	<u>11,003</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>2,661</u>	<u>3,252</u>

For related notes on this statement, see page 14.

* Restated — see note 12.

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31 December 1994

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

	1994 £'000	1993* £'000
Operating profit	3,146	730
Other income	14	—
Vehicle fleet provisions	7,068	1,854
Depreciation	165	151
(Profit)/loss on disposals of vehicles	(224)	8
Movement in vehicle parts stocks and fuel	76	(57)
Movement in debtors	(1,938)	(1,258)
Movement in creditors	4,404	(6,571)
Net cash inflow (outflow) from operating activities	12,711	(5,143)

2. Analysis of changes in cash and cash equivalents during the year

Balance at 1 January	1,181	(2,244)
Acquired as a result of acquisitions	—	173
Net cash inflow	2,661	3,252
Balance at 31 December	3,842	1,181

3. Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1994 £'000	1993 £'000	Change in year £'000
Cash at bank and in hand	3,842	1,181	2,661

4. Analysis of changes in financing during the year

	Share capital and share premium £'000	Hire purchase finance £'000	Loans £'000
Balance at 1 January 1994	4,506	11,342	1,002
Cash inflow from financing	—	13,204	(540)
Balance at 31 December 1994	4,506	24,546	462

* Restated — see note 12.

NOTES TO THE ACCOUNTS

for the year ended 31 December 1994

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The accounts are prepared under the historical cost convention as modified by the revaluation of properties and in accordance with applicable accounting standards.

(b) Goodwill

Goodwill arises where on the acquisition of a business or a subsidiary undertaking the cost of purchase exceeds the fair value of the net assets acquired. Such goodwill is eliminated against the special reserve available for this purpose.

(c) Vehicles out on hire

(i) Contract hire vehicles

All vehicles hired out under contracts for one year or more are included in fixed assets.

(ii) Short term hire vehicles

All other vehicles are treated as short term hire vehicles and are included in current assets.

(d) Vehicle fleet provisions

The vehicle fleet provision policy is to write down each vehicle to its estimated or guaranteed residual value at the anticipated date of sale. This policy results in provision rates of between 20 and 50 per cent per annum on the straight line basis.

(e) Vehicle rebates

Vehicle rebates are credited to the profit and loss account over the period for which the vehicles are expected to be held. This is a change of accounting policy (see note 2).

(f) Vehicles leased in

Vehicles held under finance leases are capitalised and their value adjusted in accordance with the company's normal policy.

Vehicles held under operating leases are not capitalised. The company has, however, adopted FRS 5, Reporting the Substance of Transactions, in respect of a sale and leaseback arrangement entered into during 1993. This is a change of accounting policy (see note 12). Lease payments are charged to the profit and loss account in the period to which they relate.

(g) Interest

Interest on borrowings arranged at variable rates is charged to the profit and loss account in accordance with the amounts notified by the respective lenders. Certain borrowings are arranged on fixed interest terms and if these arrangements are considered to be substantial in relation to the group's borrowings as a whole then the interest thereon is charged to the profit and loss account on a basis designed to give a reasonable approximation to a constant periodic rate of return.

(h) Depreciation

Depreciation of equipment, fixtures and fittings is provided for on the straight line basis at between 10 and 33 $\frac{1}{3}$ per cent per annum.

Land is not depreciated. Freehold and long leasehold buildings are depreciated at 2 per cent per annum on the straight line basis. Nonetheless it is the group's policy to maintain its properties in good condition by a regular programme of maintenance and repair, the cost of which is charged to the profit and loss account in the year in which the expenditure is incurred. Short leasehold properties are depreciated over the period of the lease.

(i) Vehicle parts stocks and fuel

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

(j) Deferred taxation

Provision for deferred taxation is made to the extent that tax liabilities are expected to arise within the foreseeable future.

(k) Pension costs

The company's pension schemes are defined contribution schemes which are administered by insurance companies. The charge to the profit and loss account comprises the total contributions payable to the schemes in respect of the accounting period.

NOTES TO THE ACCOUNTS

2. TURNOVER

Turnover principally represents income from the short term and contract hire of vehicles and vehicle rebates and is stated net of value added tax.

The change in accounting policy referred to in note 1(e) is in respect of vehicle rebates which were previously recognised as turnover when earned. This refinement has been adopted to reflect the impact of the increase in number and proportion of commercial vehicles within the hire fleet. The average fleet life of commercial vehicles is significantly greater than that of cars. The result of this change is to defer income of £2.6m from the current year into 1995 and 1996. The change in accounting policy has had no material effect on the results or net assets of prior years.

3. OPERATING PROFIT is stated after charging:

	£'000	£'000
Vehicle fleet provisions		
– held under hire purchase agreements	5,766	861
– held under finance leases	1,158	155
– other	144	838
	<u>7,068</u>	<u>1,854</u>
Vehicle operating lease rentals	2,325	1,371
Other operating lease rentals	176	131
Depreciation	165	151
Directors' emoluments (see note 4)	469	253
Auditors' remuneration – for auditing	35	20
– for other services	–	2

4. DIRECTORS' EMOLUMENTS

	£'000	£'000
Fees, salaries and benefits in kind	337	230
Profit related bonuses	116	15
Pension contributions	16	8
	<u>469</u>	<u>253</u>
Chairman:		
Fees	22	22
Profit related bonus	–	–
Pension contributions	–	–
	<u>22</u>	<u>22</u>
The two highest paid directors (each):		
Salaries and benefits in kind	75	74
Profit related bonuses	28	5
Pension contributions	5	3
	<u>108</u>	<u>82</u>

In general terms the profit related bonuses are a percentage of the year on year increase in the group's profit before dividends.

The number of directors whose emoluments, excluding pension contributions, fell into the following categories were:

Emoluments	1994 No.	1993 No.
£15,001 – £20,000	–	1
£20,001 – £25,000	1	1
£25,001 – £30,000	–	1
£30,001 – £35,000	2	–
£35,001 – £40,000	–	2
£40,001 – £45,000	3	–

NOTES TO THE ACCOUNTS

5. EMPLOYEES

The average number of persons employed in the following categories was:

	1994 No.	1993 No.
Management and administration	61	37
Operations	61	47
Service and repair	85	70
	<u>207</u>	<u>154</u>

Staff costs during the year, including the directors, amounted to:

	£'000	£'000
Wages and salaries	2,955	1,723
Social security costs	254	169
Pension costs	34	15
	<u>3,243</u>	<u>1,907</u>

6. INTEREST PAYABLE

Hire purchase and finance lease interest	1,389	347
Bank overdraft and short term loan interest	62	158
Other interest	8	18
	<u>1,459</u>	<u>523</u>

7. TAXATION ON ORDINARY ACTIVITIES

Corporation tax payable	604	200
Corporation tax over-provided in earlier years	(172)	—
Advance corporation tax written back	(16)	—
Release of provision for deferred taxation	—	(200)
	<u>416</u>	<u>—</u>

If full provision for deferred taxation had been made there would have been a deferred taxation charge of £29,000 (1993 – £88,000)

8. DIVIDENDS

	£'000	£'000
Interim paid of 0.5p per share (1993 – nil)	180	—
Final proposed of 1p per share (1993 – 0.5p)	360	180
	<u>540</u>	<u>180</u>

9. SHARES IN SUBSIDIARY UNDERTAKINGS

No subsidiary undertakings affected the results of the group. Blocklane Limited which is a wholly owned subsidiary undertaking registered in England and Wales owns certain group properties. Particulars of all subsidiary undertakings are filed with the annual return of the company. All subsidiary undertakings have as their year end 31 December.

NOTES TO THE ACCOUNTS

10. TANGIBLE ASSETS

The group

	Freehold properties £'000	Long leasehold properties £'000	Short leasehold properties £'000	Equipment fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 January 1994	1,278	69	111	882	2,340
Additions	18	141	9	152	320
Reclassifications	15	(15)	—	—	—
Disposals	—	—	(18)	—	(18)
At 31 December 1994	<u>1,311</u>	<u>195</u>	<u>102</u>	<u>1,034</u>	<u>2,642</u>
Depreciation					
At 1 January 1994	20	1	44	548	613
Provided in the year	25	3	17	120	165
Disposals	—	—	(18)	—	(18)
At 31 December 1994	<u>45</u>	<u>4</u>	<u>43</u>	<u>668</u>	<u>760</u>
Net book value					
At 31 December 1994	<u>1,266</u>	<u>191</u>	<u>59</u>	<u>366</u>	<u>1,882</u>
At 31 December 1993	<u>1,258</u>	<u>68</u>	<u>67</u>	<u>334</u>	<u>1,727</u>

The company

	Freehold properties £'000	Long leasehold properties £'000	Short leasehold properties £'000	Equipment fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 January 1994	584	21	111	811	1,527
Additions	16	138	9	144	307
Reclassifications	15	(15)	—	—	—
Intra group transfers	257	—	—	79	336
Disposals	—	—	(18)	—	(18)
At 31 December 1994	<u>872</u>	<u>144</u>	<u>102</u>	<u>1,034</u>	<u>2,152</u>
Depreciation					
At 1 January 1994	12	—	44	548	604
Provided in the year	16	2	17	120	155
Disposals	—	—	(18)	—	(18)
At 31 December 1994	<u>28</u>	<u>2</u>	<u>43</u>	<u>668</u>	<u>741</u>
Net book value					
At 31 December 1994	<u>844</u>	<u>142</u>	<u>59</u>	<u>366</u>	<u>1,411</u>
At 31 December 1993	<u>572</u>	<u>21</u>	<u>67</u>	<u>263</u>	<u>923</u>

A valuation of certain of the group's properties as at 31 December 1988 was carried out by property consultants on the basis of open market value for existing use. These properties are included above at a valuation of £487,000 (1993 – £487,000) for the group and for the company.

On an historical cost basis the net book value of properties would have been £1,411,000 (1993 – £1,313,000) for the group and £769,000 (1993 – £660,000) for the company.

NOTES TO THE ACCOUNTS

11. VEHICLES OUT ON HIRE

The group	Contract hire vehicles £'000	Short term hire vehicles £'000	Total hire vehicles £'000
Cost			
At 1 January 1994	9,864 *	13,672	23,536 *
Additions	2,920	26,966	29,886
Transfers between categories, net	(1,304)	1,304	—
Disposals	(1,300)	(13,008)	(14,308)
At 31 December 1994	<u>10,180</u>	<u>28,934</u>	<u>39,114</u>
Vehicle fleet provisions			
At 1 January 1994	2,626 *	4,545	7,171 *
Provided in the year	2,559	4,509	7,068
Transfers between categories, net	(590)	590	—
Disposals	(1,037)	(4,393)	(5,430)
At 31 December 1994	<u>3,558</u>	<u>5,251</u>	<u>8,809</u>
Net book value			
At 31 December 1994	<u>6,622</u>	<u>23,683</u>	<u>30,305</u>
At 31 December 1993	<u>7,238 *</u>	<u>9,127</u>	<u>16,365 *</u>
The company	Contract hire vehicles £'000	Short term hire vehicles £'000	Total hire vehicles £'000
Cost			
At 1 January 1994	1,610	10,051	11,661
Additions	2,920	26,966	29,886
Transfer between categories, net	(1,304)	1,304	—
Intra group transfers	8,254	3,621	11,875
Disposals	(1,300)	(13,008)	(14,308)
At 31 December 1994	<u>10,180</u>	<u>28,934</u>	<u>39,114</u>
Vehicle fleet provisions			
At 1 January 1994	577	2,471	3,048
Provided in the year	2,559	4,509	7,068
Transfers between categories, net	(590)	590	—
Intra group transfers	2,049	2,074	4,123
Disposals	(1,037)	(4,393)	(5,430)
At 31 December 1994	<u>3,558</u>	<u>5,251</u>	<u>8,809</u>
Net book value			
At 31 December 1994	<u>6,622</u>	<u>23,683</u>	<u>30,305</u>
At 31 December 1993	<u>1,033</u>	<u>7,580</u>	<u>8,613</u>

Vehicles out on hire include vehicles the subject of finance leases where the company is the lessee, with a net book value for the group of £8,047,000 (1993 – £2,796,000) and for the company of £8,047,000 (1993 – £242,000) and vehicles the subject of hire purchase agreements with a net book value for the group of £21,884,000 (1993 – £12,493,000) and for the company of £21,884,000 (1993 – £7,295,000).

* Restated – see note 12.

NOTES TO THE ACCOUNTS

12. NET BORROWINGS	The group		The company	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
(a) Bank loans and overdrafts repayable				
– within 1 year	400	534	400	534
– between 1 and 2 years	–	400	–	400
Total bank loans and overdrafts	400	934	400	934
(b) Loans other than from banks				
(i) Hire purchase finance repayable				
– within 1 year	9,111	6,351	9,111	2,955
– between 1 and 2 years	7,436	2,026	7,436	976
– between 2 and 5 years	7,999	2,965	7,999	1,029
	24,546	11,342	24,546	4,960
(ii) Loan stock repayable				
– within 1 year	62	68	62	68
Total loans other than from banks	24,608	11,410	24,608	5,028
Total borrowings	25,008	12,344	25,008	5,962
Less: bank and cash balances	(3,842)	(1,181)	(3,842)	(1,071)
Net borrowings	21,166	11,163	21,166	4,891

Change of accounting policy – adoption of FRS 5

Following the acquisition of Auto-Rentals (Nationwide) Limited in December 1993, the group entered into a sale and leaseback arrangement in connection with various vehicles used by that business. The transaction was accounted for in the 1993 financial statements in accordance with SSAP21, Accounting for Leases and Hire Purchase Contracts, as a sale and operating leaseback. Accordingly, the cost of these vehicles was not capitalised as fixed assets and the related rental obligations did not form part of creditors.

In April 1994 the Accounting Standards Board issued FRS 5, Reporting the Substance of Transactions, which provides additional guidance on accounting for sale and repurchase arrangements. In order to comply fully with FRS 5 the company has re-analysed the transaction as a sale and finance leaseback. The effect of this change has been to increase fixed assets and creditors and decrease debtors on the group balance sheet by £1,590,000, £1,324,000 and £266,000 respectively in 1994 (1993 – £2,554,000, £2,027,000 and £527,000 respectively). There was no effect on the group profit for 1993 or 1994.

A bank loan of £nil (1993 – £9,253) is secured on a freehold property. Bank borrowings of £400,000 (1993 – £925,000) are secured by a debenture.

Hire purchase finance carries interest at both fixed and floating rates and is secured on vehicles out on hire. The figures include £7,943,000 (1993 – £2,157,000) in respect of finance lease obligations.

The repayment of the loan stock has been guaranteed by the company's bankers. The stock is repayable on three months notice at any time between 30 September 1995 and 30 September 1999 either in full or in minimum tranches of £5,000. It carries interest at 0.5 per cent below the London Inter Bank Offer Rate.

NOTES TO THE ACCOUNTS

13. DEBTORS

	The group		The company	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Trade debtors	4,647	2,725	4,647	2,410
Amounts owed by subsidiary undertakings	—	—	471	1,133
Other debtors	75	228	75	228
Prepayments and accrued income	1,395	1,227	1,387	1,101
	<u>6,117</u>	<u>4,180</u>	<u>6,580</u>	<u>4,872</u>

14. OTHER CREDITORS

Trade creditors	1,145	688	1,145	454
Amounts owed to subsidiary undertakings	—	—	1,193	1,188
Taxation	319	204	319	4
Advance corporation tax	195	60	195	60
Other taxes and social security costs	820	618	820	504
Proposed dividend	360	180	360	180
Accruals and deferred income	5,366	1,391	5,366	334
	<u>8,205</u>	<u>3,141</u>	<u>9,398</u>	<u>2,724</u>

15. DEFERRED TAXATION

The group and the company

	Full potential liability		Provided in the accounts	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Accelerated capital allowances	2,189	2,218	595	595
Surplus on revaluation of properties	4	4	—	—
Other timing differences	(39)	34	—	—
Losses available for relief	(75)	(206)	—	—
	<u>2,079</u>	<u>2,050</u>	<u>595</u>	<u>595</u>
Advance corporation tax recoverable	(90)	(228)	(90)	(228)
	<u>1,989</u>	<u>1,822</u>	<u>505</u>	<u>367</u>

Movement in the year

	1994	1993
	£'000	£'000
At 1 January	595	245
Acquisitions	—	550
Transfer to profit and loss account	—	(200)
At 31 December	<u>595</u>	<u>595</u>

NOTES TO THE ACCOUNTS

16. SHARE CAPITAL

	No. of 5p shares	£'000
Authorised	43,000,000	2,150
Allotted, issued and fully paid	36,087,946	1,804

At 31 December 1994 options were outstanding over 1,329,500 shares (1993 – 455,000 shares).

17. SHARE PREMIUM ACCOUNT

	£'000
At 1 January 1994 and 31 December 1994	2,702

18. SPECIAL RESERVE

	£'000
At 1 January 1994	1,553
Adjustments in respect of earlier years	(5)
At 31 December 1994	1,548

The special reserve was created in December 1989 for the elimination of goodwill. It is also available for distribution by way of dividend in certain circumstances but in all other respects is the equivalent of the share premium account.

19. GOODWILL ELIMINATED TO DATE

	1994 £'000	1993 £'000
At 31 December	2,347	2,342

20. RESERVES

	Revaluation reserve £'000	Other reserves £'000	Profit and loss account £'000
The group			
At 1 January 1994	80	229	1,534
Transfer between reserves	(2)	–	2
Transfer from profit and loss account	–	–	756
At 31 December 1994	78	229	2,292
The company			
At 1 January 1994	10	–	1,327
Transfer from profit and loss account	–	–	756
At 31 December 1994	10	–	2,083

In accordance with the provisions of section 230 of the Companies Act 1985 the company is exempt from presenting its own profit and loss account.

NOTES TO THE ACCOUNTS

21. MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS IN THE YEAR

	1994 £'000	1993 £'000
Profit for the financial year	1,296	209
Dividends paid and proposed	(540)	(180)
Retained profit for the year	756	29
Share capital issued (net of expenses)	-	2,925
Amount added to merger reserve (net of expenses)	-	142
Goodwill eliminated	(5)	(604)
Increase in equity shareholders' funds in the year	751	2,492
Equity shareholders' funds at 1 January	7,902	5,410
Equity shareholders' funds at 31 December	8,653	7,902

22. CAPITAL COMMITMENTS

At 31 December 1994 the directors had not authorised any capital expenditure (1993 – nil).

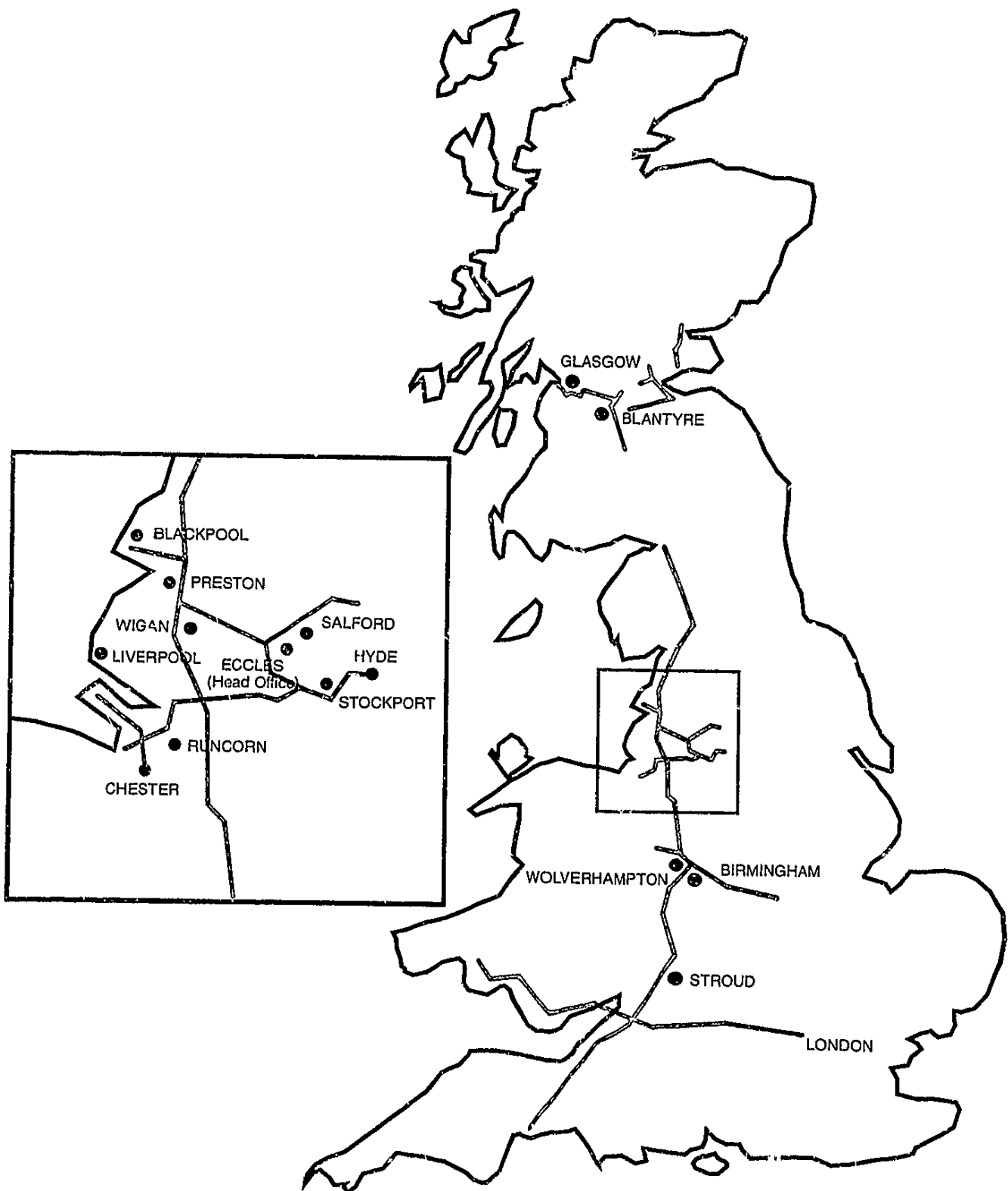
23. LEASING COMMITMENTS

Annual commitments under non-cancellable operating leases were as follows:

	1994 £'000	1993* £'000
Vehicles		
Expiring within one year	375	153
Expiring between one and five years	2,129	1,111
	<u>2,504</u>	<u>1,264</u>
Properties		
Expiring within one year	39	20
Expiring between one and five years	58	14
Expiring in five years or more	91	90
	<u>188</u>	<u>124</u>
Total	<u>2,692</u>	<u>1,388</u>

* Restated – see note 12.

GROUP LOCATIONS



0 75 150
MILES

DEPOT ADDRESSES

BIRMINGHAM

68 Wood Lane, Erdington, Birmingham B24 9QL
0121 377 7744

BLACKPOOL

100 Gorton Street, Blackpool FY1 3JW
01253 28455

CHESTER

123 Brook Street, Chester CH1 3DU
01244 311439

GLASGOW

Yorkhill House, Yorkhill Quay, Clyde Expressway, Glasgow G3 8QE
0141 339 8800

1 Rosendale Way, Blantyre, Glasgow G72 0NJ
01698 711122

HYDE

Clarendon Service Station, Grafton Street, Hyde, Cheshire SK14 2AX
0161 368 2286

LIVERPOOL

Hawthorne Road, Bootle, Liverpool L20 9PR
0151 944 2233

PRESTON

Emmett Street, Preston, Lancashire PR1 1RD
01772 821079

RUNCORN

Chester Road, Sutton Weaver, Runcorn, Cheshire WA7 3EG
01928 717711

SALFORD

1 Aubrey Street, Salford, Manchester M5 2UP
0161 872 8055

STOCKPORT

Reddish Road, Reddish, Stockport, Cheshire SK5 7AA
0161 432 8152

STROUD

Westward Road, Ebley, Stroud, Gloucestershire GL5 4UE
01453 757091

WIGAN

Seven Stars Service Station, Wallgate, Wigan WN5 0XG
01942 231129

WOLVERHAMPTON

Unit 7, Wulfrun Trading Estate, Stafford Road, Wolverhampton WV10 6HH
01902 711775

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of TLS RANGE plc for 1995 will be held at The Jubilee Suite, Lancashire County Cricket Club, Talbot Road, Old Trafford, Manchester M16 0PX on 24 May 1995 commencing at 12 o'clock noon for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the accounts for the year ended 31 December 1994 and the reports of the directors and auditors thereon.
2. To declare a final dividend.
3. To re-elect Mr C J Miller as a director of the company.
4. To re-appoint as auditors Messrs Binder Hamlyn and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit pass the following resolution as an ordinary resolution:

THAT the board be and is hereby authorised to offer ordinary shareholders pursuant to the power contained in article 153 of the articles of association of the company the right to elect to receive additional ordinary shares credited as fully paid instead of cash in respect of any dividend or any part of any dividend to be declared for the financial year of the company ending on 31 December 1995, but so that this authority shall not extend beyond the conclusion of the next annual general meeting.

6. To consider and if thought fit pass the following resolution as an ordinary resolution:

THAT the directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the company to allot relevant securities as therein defined up to 6,912,054 shares of 5p each representing 19.15 per cent of the issued share capital at 30 March 1995. This authority is to expire at the conclusion of the annual general meeting of the company to be held in 1996 or, if earlier, the date being 15 months from the passing of this resolution unless renewed, varied or revoked by the company in general meeting. This authority shall be in substitution for any previous authority conferred upon the directors pursuant to the said Section 80 prior to the date of the passing of this resolution which (to the extent that it remains in force and unexercised) is hereby revoked.

7. To consider and if thought fit pass the following resolution as a special resolution:

THAT subject to the ordinary resolution set out above being duly passed, the directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to Section 80 of the said Act as if Section 89(1) of the said Act did not apply to any such allotment provided that this power shall be limited to:

- a. the allotment of equity securities in connection with a rights issue in favour of or general offer to ordinary shareholders where the equity securities respectively attributable to the interests of all the ordinary shareholders are proportionate (as nearly as may be) to the number of ordinary shares held by them (but subject to such exclusions and other arrangements as the directors of the company may deem necessary or expedient in relation to fractional entitlements and any legal or practical difficulties under the laws of any overseas territory or the requirements of any regulatory body or stock exchange); and
- b. the allotment (otherwise than pursuant to sub-paragraph a. above) of equity securities up to 1,804,397 shares of 5p each representing 5 per cent of the issued share capital and unless it is (prior to its expiry) duly renewed, varied or revoked shall expire at the conclusion of the annual general meeting of the company to be held in 1996 or 15 months from the date of passing of this resolution (whichever shall occur first) save that the company may before such expiry make any offer or agreement which would or may require equity securities to be allotted after such expiry and the directors of the company may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired and provided also that the authority and power hereby conferred shall be in substitution for any previous authority conferred upon the directors pursuant to the said Section 95 prior to the date of the passing of this resolution which (to the extent that it remains in force and unexercised) is hereby revoked.

8. To consider and if thought fit pass the following resolution as a special resolution:

THAT the name of the company be changed to TLS Plc.

82 Church Street
Eccles
Manchester M30 0DA
28 April 1995

By order of the board

John W Stewart J W Stewart
Secretary

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- 1 **Directors** – Mr C J Miller retires by rotation and being eligible is recommended for re-election.
- 2 **Voting** – A member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member, but may only vote on a poll. To be valid proxies must be lodged with the company's registrars not less than 48 hours before the time appointed for the meeting. A form of proxy is enclosed but the completion and return of a proxy will not prevent a member attending and voting in person at the meeting if desired.
- 3 **Documents for inspection** – The following documents which are available for inspection at 82 Church Street, Eccles, Manchester M30 0DA during business hours on any weekday (excluding Saturdays) from the date of this notice until the close of the meeting, will also be available for inspection at The Jubilee Suite, Lancashire County Cricket Club, Talbot Road, Old Trafford, Manchester M16 0PX from 11.30 a.m. on 24 May 1995 until the conclusion of the meeting:-
 - (a) A register of interests of directors and their families in the shares of the company.
 - (b) Copies of all directors' service or consultancy agreements.

ANALYSIS OF SHARE REGISTER

Shareholder analysis			Shareholding analysis	
Number of shares	Number of holders	Percentage of holders	Holding	Percentage capital
Up to – 999	192	20.3	95,426	0.3
1,000 – 4,999	437	46.1	1,025,329	2.8
5,000 – 9,999	127	13.4	784,239	2.2
10,000 – 49,999	142	15.0	2,806,802	7.8
50,000 – 249,999	25	2.6	2,517,235	7.0
250,000 – 999,999	14	1.5	7,380,877	20.4
1,000,000 plus	10	1.1	21,478,038	59.5
	<u>947</u>	<u>100.0</u>	<u>36,087,946</u>	<u>100.0</u>
Description	Number of holders	Percentage of holders	Holding	Percentage capital
Directors	6	0.6	8,467,518	23.5
Private holders	777	82.1	4,246,188	11.8
Banks and bank nominees	7	0.7	901,702	2.5
Insurance companies	12	1.3	6,936,189	19.2
Limited companies	59	6.2	1,108,954	3.1
Nominee companies	67	7.1	1,095,613	3.0
Pension funds	7	0.7	2,533,458	7.0
Unit trusts	12	1.3	10,798,324	29.9
	<u>947</u>	<u>100.0</u>	<u>36,087,946</u>	<u>100.0</u>

Notes

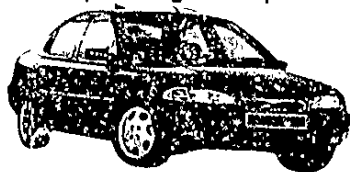
A year ago there were 645 shareholders.

The names of the principal shareholders are listed on page 8.

OUR SERVICES

TLS RANGE AND AUTO-RENTALS SELF DRIVE SHORT TERM • MEDIUM TERM • CONTRACT HIRE

Formed in 1979 and floated on the Unlisted Securities Market in 1989 TLS, together with its wholly-owned subsidiary Auto-

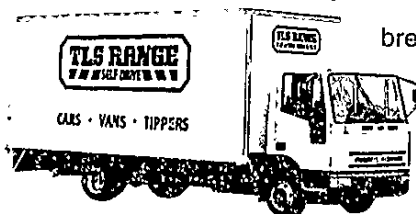


Rentals based in Stroud, has many years experience in providing a comprehensive self drive hire service for short, medium term and contract hire packages across all industry sectors. Whether you need a vehicle for one day or five years — the TLS group can help you control your transport costs, take away the pressures of fleet management and provide you with the flexibility to meet your changing requirements.

TLS is the group to talk to about all your transport needs. Our large fleet of cars, light and heavy commercials is comprehensive. You can hire exactly the vehicle you require for the period that you need it.



We continually update our vehicle fleet to ensure total vehicle reliability and customer satisfaction. (In the unlikely event of a mechanical problem our national breakdown service is on call 24 hours per day, 365 days per year). Our trained staff are always available to support you and by understanding your requirements will react quickly and efficiently.



Our hire rates are extremely competitive with specially tailored Flexi-Rent and Contract Hire schemes available to make longer hire terms even more cost effective. If you are seriously thinking about controlling your transport costs without compromising service or reliability talk to the right people, talk to TLS.

