

DRIVELINE EUROPE LIMITED

INDEX TO REPORT AND ACCOUNTS

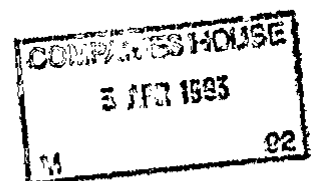
FOR THE YEAR ENDED 31ST DECEMBER 1992

Chairmans Statement

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Registered Number

2554477 (England and Wales)



Driveline

EUROPE

*The Hotel
and Ferry
Specialists*

Greenleaf House,
Darkes Lane,
Potters Bar,
Herts,

EN6 1AE

Res: 0707 669011

Sales: 0707 49967

Fax: 0707 49126

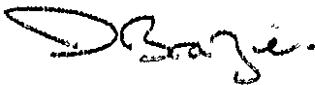
CHAIRMANS STATEMENT

Our second year of trading saw the Company consolidate its first year results, with turnover increasing by 78% and profits before tax increasing by 71%. This was achieved by continuing to offer specialised packages including ferry travel, hotel accommodation and insurances at realistic prices.

Driveline Europe's name has appeared frequently during the year on BBC Television, TV AM and B Sky B nationally, on local radio and in four of the major national newspapers linked to promotion. This coverage has increased the public's awareness of the Company and has enabled a large database of clients to be established. We have also introduced our own travel club which ensures all members are kept up to date with the latest travel opportunities.

I feel that the next twelve months will offer much scope for travel in and around Europe with the opening of the Eurotunnel and increases in the duty-free allowances. Our established relations with ferry companies and media contacts place us in a strong position to continue our growth. Furthermore, membership of ABTA or AITO is expected in March 1993, as is our switch to a fully tested computerised office reservations and management system.

I feel that while 1993 will see difficult trading conditions and further uncertainty in exchange rates, our loyal and committed staff have secured a firm foundation for future development.



D BRAZIER

DRIVELINE EUROPE LIMITEDDIRECTORS REPORT

The Directors submit their Annual Report and the Company's Audited Accounts for the year ended 31st December 1992.

ACTIVITIES

Tour Operators and Agents, specialising in Hotel and Ferry Services.

DIRECTORS

The Directors of the Company are:-

D J Brazier Esq (Chairman and Managing Director)

Miss N A Murray

ACCOUNTS

The profit for the year before taxation amounted to £88,997 (Profit 1991 £52,182) after charging Directors Emoluments of £83,333 (1991 £43,953).

A Dividend of £37,500 was paid during the year (1991 £30,000).

REVIEW OF THE BUSINESS

The Company has traded profitably during the year under review and the state of affairs at the date of the Balance Sheet is considered to be satisfactory.

FIXED ASSETS

Details are shown in note 3 of the Notes to the Accounts.

DRIVELINE EUROPE LIMITED

DIRECTORS REPORT

DIRECTORS INTERESTS

The Directors interests, including family interests, in the shares of the Company were as follows:-

	Class of Share	Interest at Financial Year End	Interest at Beginning of Year
D J Brazier Esq	Ordinary	10,000	2,500
Miss N A Murray	Ordinary	10,000	2,500

CLOSE COMPANY STATUS

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the reappointment of Messrs Whittaker & Company as auditors to the Company will be put to the annual general meeting.

REGISTERED OFFICE

Clifton House,
65 Castle Street,
Luton,
Beds.

ON BEHALF OF THE BOARD

.....
MISS N A MURRAY
DIRECTOR

12th February 1993

REPORT OF THE AUDITORS

TO THE MEMBERS OF

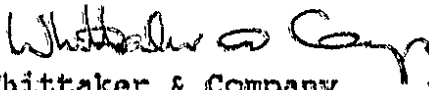
DRIVELINE EUROPE LIMITED

We have audited the financial statements set out on pages 4 to 12 in accordance with 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 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Clifton House,
65 Castle Street,
Luton,
Beds.

12th February 1993


Whittaker & Company
Chartered Accountants
Registered Auditors

DRIVELINE EUROPE LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 1992

	Notes	1992	1991
<u>Fixed Assets</u>			
Tangible Assets	(3)	44,310	12,044
<u>Current Assets</u>			
Debtors	(4)	13,718	16,838
Cash at Bank and in Hand	(5)	182,625	228,942
		196,343	245,780
<u>Creditors</u>			
Amounts falling due within one year	(6)	175,497	243,666
Net Current Assets		20,846	2,114
Total Assets less Current Liabilities		65,156	14,158
<u>Creditors</u>			
Amounts falling due after more than one year	(7)	6,000	-
Net Assets		£59,156	£14,158
<u>Capital and Reserves</u>			
Called Up Share Capital	(2)	20,000	5,000
Profit and Loss Account		39,156	9,158
		£59,156	£14,158

Approved by the Board on 12th February 1993

..... *D J Brazier* D J Brazier - Director

The notes on pages 6 to 12 form part of these accounts.

DRIVELINE EUROPE LIMITED

 PROFIT AND LOSS ACCOUNT

 FOR THE YEAR ENDED 31ST DECEMBER 1992

	Notes -----	1992 -----	1991 -----
Turnover		1,248,069	699,053
Cost of Sales		889,183	504,493
Gross Profit for the Year		----- 358,886	----- 194,560
Administrative Expenses		294,396	145,929
Operating Profit		----- 64,490	----- 48,631
Interest Receivable	(9)	24,507	4,372
		----- 88,997	----- 53,003
Interest Payable	(10)	-	821
Profit on ordinary activities before taxation		----- 88,997	----- 52,182
Tax on profit on ordinary activities	(11)	21,499	13,024
Profit on ordinary activities after taxation		----- 67,498	----- 39,158
Dividends Paid		37,500	30,000
Retained Profit for the Year		----- 29,998	----- 9,158
Accumulated Profit brought forward		9,158	-
Accumulated Profit carried forward		----- £39,156 -----	----- £9,158 -----

DRIVELINE EUROPE LIMITED

 NOTES TO THE ACCOUNTS

 FOR THE YEAR ENDED 31ST DECEMBER 1992

1. Accounting Policies

a) Accounting Convention

The accounts have been prepared under the historical cost convention.

b) Depreciation

Depreciation is provided on all tangible fixed assets by the reducing balance method at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:-

Office Equipment	20%
Motor Vehicles	25%
Computer Equipment	20%

c) Turnover

Turnover represents tour operating income exclusive of Value Added Tax.

d) Deferred Taxation

Provision is made at current corporation tax rates for taxation deferred in respect of all material timing differences, except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

e) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Profit and Loss Account.

DRIVELINE EUROPE LIMITED

 NOTES TO THE ACCOUNTS

 FOR THE YEAR ENDED 31ST DECEMBER 1992

f) Cash Flow Statement

 The Directors have taken advantage of the exemptions provided by Financial Reporting Standard 1 and have therefore elected to dispense with the Cash Flow Statement in these accounts.

g) Pension Costs

 The Company operates a defined contribution scheme with the pension charge to the Profit and Loss Account representing the contributions payable in the year.

2. Share Capital

 Authorised

	1992 ----- Number -----	1991 ----- Number -----
Ordinary Shares of £1 each	100,000	10,000

=====

 Issued and Fully Paid

	1992 ----- £ -----	1991 ----- £ -----
Ordinary Shares of £1 each	20,000	5,000

=====

The authorised share capital was increased to 100,000 Ordinary Shares of £1 each on 5th August 1992.

The Issued Share Capital was increased to 20,000 shares of £1 each on 24th August 1992 to allow for additional working capital.

DRIVELINE EUROPE LIMITED

 NOTES TO THE ACCOUNTS

 FOR THE YEAR ENDED 31ST DECEMBER 1992

3. Tangible Fixed Assets

	<u>Total</u>	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>Computer Equipment</u>
<u>Cost</u> -----				
At 1st January 1992	14,295	3,445	10,850	-
Additions	40,184	1,181	11,600	27,403
Disposals	(4,855)	(255)	(4,600)	-
At 31st December 1992	49,624	4,371	17,850	27,403
<u>Depreciation</u> -----				
At 1st January 1992	2,251	689	1,562	-
Charge for Year	4,213	747	2,322	1,144
Eliminated on Disposals	(1,150)	-	(1,150)	-
At 31st December 1992	5,314	1,436	2,734	1,144
<u>Net Book Value</u> -----				
At 31st December 1992	44,310	2,935	15,116	26,259
At 31st December 1991	12,044	2,756	9,288	-

DRIVELINE EUROPE LIMITED

 NOTES TO THE ACCOUNTS

 FOR THE YEAR ENDED 31ST DECEMBER 1992

	1992	1991
	----- £ -----	----- £ -----
4. Debtors		
Trade Debtors	6,457	12,182
Other Debtors	2,045	538
Prepayments and Accrued Income	5,216	4,118
	----- 13,718 =====	----- 16,838 =====
5. Cash at Bank and in Hand		
Bank Client Accounts	140,710	216,503
Bank Office Accounts	41,776	12,415
Cash in Hand	139	24
	----- 182,625 =====	----- 228,942 =====
6. Creditors - amounts falling due within one year		
Client Accounts	140,710	216,503
Current Corporation Tax	8,999	3,024
Other Taxes and Social Security Costs	3,500	3,512
Hire Purchase Account	3,000	-
Accruals and Deferred Income	19,288	20,627
	----- 175,497 =====	----- 243,666 =====
7. Creditors - amounts falling due after more than one year		
Hire Purchase Account	6,000	-
	----- 6,000 =====	----- - =====

DRIVELINE EUROPE LIMITED

 NOTES TO THE ACCOUNTS

 FOR THE YEAR ENDED 31ST DECEMBER 1992

1992	1991
-----	-----
£	£
-	-

8. Provisions for Liabilities and Charges

The full provision for deferred taxation at the Balance Sheet date, none of which has been provided in these accounts was as follows:-

Advance Capital Allowances	2,068	331
	=====	=====

9. Interest Receivable

Bank Deposit Interest	24,507	4,372
	=====	=====

10. Interest Payable

Bank Interest	-	821
	=====	=====

11. Tax on ordinary activities

Corporation Tax is calculated at the rate of 25%:-

On the profit for the year	21,499	13,024
	=====	=====

12. Operating Profit

The profit is stated after charging:-

Directors Emoluments:-

Fees	50,000	43,953
Pension Scheme Contributions	33,333	-
Auditors Remuneration	4,000	3,500
Leasing of Office Equipment	1,700	-
Depreciation of Fixed Assets	4,213	2,251
Loss on Sale of Fixed Assets	850	-
	=====	=====

DRIVELINE EUROPE LIMITED

 NOTES TO THE ACCOUNTS

 FOR THE YEAR ENDED 31ST DECEMBER 1992

	1992	1991
	£	£
	-	-
 13. Directors Emoluments		
Fees	50,000	43,953
Pension Scheme Contributions	33,333	-
	-----	-----
	83,333	43,953
	=====	=====
 Emoluments (excluding pension contributions):-		
Chairman	25,000	19,806
Emoluments of the other Director fell within the following range:-		
£20,001 - £25,000	1	1

14. Staff Costs (including Directors Emoluments)

Wages and Salaries	118,941	74,849
Social Security Costs	11,044	7,167
Other Pension Costs	33,333	-
	-----	-----
	163,318	82,016
	=====	=====

The average weekly number of employees during the year was made up as follows:-

Administration	8	6
	=====	=====

DRIVELINE EUROPE LIMITED

 NOTES TO THE ACCOUNTS

 FOR THE YEAR ENDED 31ST DECEMBER 1992

	1992	1991
	£	£
	-	-

15. Capital Commitments

No capital expenditure was authorised or contracted for at the Balance Sheet date.

16. Contingent Liabilities

The Company's bankers have a charge over £15,000 of the Company's bank balance in respect of a guarantee given to a third party.

17. Company Commitments

a) Obligations under Operating Leases

At 31st December 1992 the Company had annual commitments under non-cancellable operating leases as set out below:-

Operating leases which expire	-
Within one year	-
In the second to fifth year inclusive	1,986
	1,986

These obligations are not in respect of land and buildings.

b) Pension Commitments

The Company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were no contributions outstanding at the Balance Sheet date.