

**Touche
Ross**

Deloitte Touche
Tohmatsu
International



Company Registration No. 2590136

**FLIGHTFORM LIMITED T/A THRIFTY
CAR RENTAL**

Report and Accounts

31 December 1994



Touche Ross & Co.
10-12 East Parade
Leeds
LS1 2AJ

**REPORT AND ACCOUNTS 1994**

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**REPORT AND ACCOUNTS 1994****OFFICERS AND PROFESSIONAL ADVISERS****DIRECTORS**

R J Burton (Chairman)
A Burton
D C A Bramall

SECRETARY

J B Burton

REGISTERED OFFICE

The Old Court House
Hughenden Road
High Wycombe
Buckinghamshire
HP13 5DT

BANKERS

Barclays Bank Plc
Wells House
PO Box 283
231 High Street
Sutton
Surrey
SM1 1TB

SOLICITORS

Jeffrey Green & Russell
Appollo House
56 New Bond Street
London
W1Y 9DG

AUDITORS

Touche Ross & Co.
Chartered Accountants
10-12 East Parade
Leeds
LS1 2AJ



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

ACTIVITIES

The company owns and operates the Thrifty Rent-A-Car franchise for the UK. The principal activities of the company are that of selling car and van rental franchises, and the provision of products and services to the franchise/licensee network. These services include the supply of cars and vans, finance, an in house insurance programme, direct sales and marketing support, and reservations.

REVIEW OF DEVELOPMENTS

The Board are pleased to report net profits before tax of £1,981,308, which represents a substantial increase over 1993 net profits.

The company now operates with 52 locations, owned by 40 licensees, and is looking forward to a further 8 - 10 new licensee locations within the next 10 months. Licensees profits have continued to improve, enabling certain licensees to either expand their existing operations or take on a second location. The company ultimately aims to operate with 100 locations, owned by 60 licensees.

No changes to the structure of the business have been made, nor has there been a change of strategy since we acquired the franchise in August 1991.

The company continues to operate with good positive cash flow. The balance sheet shows a high level of hire purchase/lease purchase funding. Of the £13.8 million creditors falling due within one year, approximately £11.4 million relates to vehicle hire purchase contracts which is the factor responsible for the net current liabilities position.

The Thrifty US loan (31 December 1993: £277,941) was fully repaid in November 1994, giving rise to both a discount for early settlement, and an exchange rate profit.

The company has also created a hire purchase programme for the licensee network and has hire purchase debtors of £3.1 million at 31 December 1994.

The directors would like to thank the licensee network, all manufacturers who provided vehicles, funders, and the staff of Flightform Limited for their tremendous support. The Thrifty Car Rental network has now become a substantial competitor within the rental market in the UK, and there is still significant growth attainable for both individual licensees, and the company as a whole.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors recommend the payment of a final dividend for the year of 20p per share which, together with the interim dividend of 15p per share, will make a total for the year of 35p per share (1993: 10p). A dividend of 8p per 10% cumulative preference share was paid during the year (1993: 1.6p). Retained profits of £1,438,110 have been transferred to reserves (1993: £346,735).

FUTURE PROSPECTS

The directors do not anticipate changing materially from the current activities - that of selling car and van rental franchises within the UK and the supply of vehicles thereto.

FIXED ASSETS

Information relating to changes in tangible and intangible fixed assets is given in notes 9 and 10 to the financial statements.

**DIRECTORS' REPORT****DIRECTORS AND THEIR INTERESTS**

The directors who have served during the period are as follows:

D C A Bramall
R J Burton
A Burton

The directors' interests in the share capital of the company are set out below:

	31 December 1994			31 December 1993		
	Ordinary	Preference		Ordinary	Preference	
	shares of £1 each	shares of £1 each		shares of £1 each	shares of £1 each	
	'A'	'B'		'A'	'B'	
R J Burton	78,250	-	-	78,250	-	-
A Burton	13,273	-	-	13,273	-	-
D C A Bramall	-	47,189	175,000	-	47,189	175,000

The Companies Act 1985 requires the disclosure of the above interests of D C A Bramall. The 47,189 Ordinary Shares and 175,000 Preference Shares are held by Sanderson Bramall Motor Group plc, a company in which D C A Bramall has an interest.

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

R J Burton

Director

21 April 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 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

R J Burton

Director

21 April 1995



Chartered Accountants

Touche Ross & Co.
10-12 East Parade
Leeds LS1 2AJ

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FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 19 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4 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 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

Chartered Accountants and
Registered Auditors

1995


PROFIT AND LOSS ACCOUNT
31 December 1994

	Note	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
TURNOVER - continuing operations	2	46,250,701	14,220,439
Cost of sales		(40,774,556)	(12,537,139)
Gross profit		5,476,145	1,683,300
Administrative expenses		(3,052,307)	(948,835)
OPERATING PROFIT - continuing operations	3	2,423,838	734,465
Interest payable and similar charges	5	(730,882)	(217,685)
Interest receivable and similar income	6	288,352	18,886
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,981,308	535,666
Tax on profit on ordinary activities	7	(469,152)	(169,036)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,512,156	366,630
Dividends	8	(74,046)	(19,895)
Retained profit for the financial period transferred to reserves	18	1,438,110	346,735

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses for the current financial year or the previous period other than as stated in the profit and loss account.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Profit for the financial year/period	1,512,156	366,630
Dividends	(74,046)	(19,895)
	1,438,110	346,735
Issue of preference shares	-	175,000
Issue of 'B' Class shares	-	175,000
Repurchase of own shares	-	(142,900)
Net addition to shareholders' funds	1,438,110	553,835
Opening shareholders' funds	1,279,266	725,431
Closing shareholders' funds	2,717,376	1,279,266


**BALANCE SHEET
31 December 1994**

	Note	31 December 1994 £	31 December 1993 £
FIXED ASSETS			
Tangible assets	9	11,124,397	5,908,550
Intangible assets	10	264,933	319,905
		<u>11,389,330</u>	<u>6,228,455</u>
CURRENT ASSETS			
Debtors	11	4,569,042	881,205
Cash at bank and in hand		1,423,324	1,237,681
		<u>5,992,366</u>	<u>2,118,886</u>
CREDITORS: amounts falling due within one year	12	<u>13,760,072</u>	<u>6,403,096</u>
NET CURRENT LIABILITIES		<u>(7,767,706)</u>	<u>(4,284,210)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,621,624	1,944,245
CREDITORS: amounts falling due after more than one year	13	(22,926)	(232,624)
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(881,322)</u>	<u>(432,355)</u>
		<u>2,717,376</u>	<u>1,279,266</u>
CAPITAL AND RESERVES			
Called up share capital	16	346,561	346,561
Share premium account	18	32,100	32,100
Profit and loss account	18	2,338,715	900,605
TOTAL SHAREHOLDERS' FUNDS		<u>2,717,376</u>	<u>1,279,266</u>
Shareholders' funds are attributable to:			
Equity shareholders' funds		2,542,376	1,104,266
Non equity shareholders' funds		175,000	175,000
		<u>2,717,376</u>	<u>1,279,266</u>

These financial statements were approved by the Board of Directors on 21 April 1995.

Signed on behalf of the Board of Directors

R J Burton
Director


CASH FLOW STATEMENT
31 December 1994

	Note	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Operating activities	20		
Net cash (outflow)/inflow from operating activities		(166,331)	1,642,707
Returns on investments and servicing of finance			
Interest received		288,352	18,886
Interest paid		(39,960)	(26,017)
Dividends paid		(56,890)	(11,317)
Interest element of finance lease rentals		(690,922)	(189,987)
Net cash outflow from returns on investments and servicing of finance		(499,420)	(208,435)
Taxation			
Tax paid		(16,450)	(715)
Investing activities			
Purchase of tangible fixed assets		(1,336,603)	(939,196)
Sale of tangible fixed assets		14,600,234	2,729,112
Discount for early repayment of franchise loan		12,768	-
Net cash inflow/(outflow) from investing activities		13,276,399	1,789,916
Net cash inflow before financing		12,594,198	3,223,473
Financing	23		
Issue of ordinary shares		-	175,000
Issue of preference shares		-	175,000
Repurchase of own shares		-	(142,900)
Repurchase of loan stock		-	(32,100)
Repayment of loan note		(277,941)	(25,965)
Capital element of finance leases		(12,294,876)	(2,702,394)
Net cash outflow from financing		(12,572,817)	(2,553,359)
Increase in cash and cash equivalents	21	21,381	670,114

**NOTES TO THE ACCOUNTS****31 December 1994****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.

Intangible fixed assets

The Franchise Fee is being amortised in equal amounts over a ten year period.

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:

Office equipment	33% per annum
Fixtures, fittings	20% per annum

Motor vehicles are written down to a directors valuation over the period of the lease, or to their residual value where known.

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.

Pension costs

The company operates a defined contribution scheme for certain directors and employees. The company's contributions to the scheme are charged against profits in the period in which the contributions are payable.

Leases

Assets obtained under finance leases and 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.

Finance lease income on assets sold under finance leases is recognised in proportion to the period of the lease. Finance lease income represents the amount by which the total of the receipts expected exceeds the cost of the leased asset.

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

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rates ruling at that date. The translation differences are dealt with in the profit and loss account.


NOTES TO THE ACCOUNTS
31 December 1994
2. TURNOVER

Turnover represents the value of sales to third parties inclusive of fees and commissions but exclusive of value added tax. All turnover arises in the United Kingdom.

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Used car sales	14,524,224	26,718
Rental Income	6,013,629	2,212,622
Outright Sales	25,108,282	11,779,778
Fees & Commissions	604,566	201,321
	<u>46,250,701</u>	<u>14,220,439</u>

3. OPERATING PROFIT

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Operating profit is stated after charging/(crediting):		
Auditors remuneration	19,000	11,000
Depreciation		
Owned assets	162,036	20,358
Assets held on finance leases	709,188	82,173
Amortisation of franchise fee	42,204	21,102
Loss on disposal of fixed assets	-	319
Hire of equipment	6,265	4,462
Rental income in respect of operating leases	(4,900,673)	(2,164,740)
Rental income in respect of finance leases	<u>(3,050,983)</u>	<u>(32,106)</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 1994 No	6 months ended 31 December 1993 No
Average number of persons employed (including directors)		
Administration	15	11
Sales	8	6
	<u>23</u>	<u>17</u>


NOTES TO THE ACCOUNTS
31 December 1994
4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Employee Costs		
Wages and salaries	720,468	265,927
Social security costs	82,298	30,054
Pension contributions	13,149	6,234
	<u>815,915</u>	<u>302,215</u>
Directors' emoluments:		
Fees	171,560	121,394
Pension contributions	5,000	3,833
	<u>176,560</u>	<u>125,227</u>
Remuneration of Chairman	58,000	27,725
Remuneration of highest paid director	118,560	51,279
	<u></u>	<u></u>
The emoluments (excluding pension contributions) of the other directors were within the following ranges:	No.	No.
£ 0 - £ 5,000	1	3
£40,001 - £45,000	-	1
	<u></u>	<u></u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Bank loans, overdrafts and other loans		
Repayable within five years by instalments	17,390	12,097
Loan stock interest	2,751	2,339
Repayable within five years, not by instalments	19,819	13,262
Finance leases		
Interest element of finance lease rentals repayable within five years by instalments	690,922	189,987
	<u>730,882</u>	<u>217,685</u>


NOTES TO THE ACCOUNTS
31 December 1994
6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Bank interest	62,035	15,793
Finance lease interest	226,317	3,093
	<u>288,352</u>	<u>18,886</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
United Kingdom corporation tax at 25% (1993: 25%) based on the profit for the period/year	8,210	100
Deferred taxation	511,798	170,378
Adjustment to prior years deferred taxation	(50,856)	(1,442)
	<u>469,152</u>	<u>169,036</u>

8. DIVIDENDS

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Equity dividends		
Interim dividend paid of 15p per £1 Ordinary share (6 months ended 31 December 1993 : £Nil)	25,734	-
Final dividend of 20p per £1 Ordinary share (6 months ended 31 December 1993 : 10p per £1 Ordinary share)	34,312	17,156
Total equity dividends	60,046	17,156
Non equity dividends		
10% Cumulative Preference Dividends	14,000	2,739
	<u>74,046</u>	<u>19,895</u>



NOTES TO THE ACCOUNTS
31 December 1994

9. TANGIBLE FIXED ASSETS

	Furniture & fittings £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 January 1994	6,222	38,035	5,947,405	5,991,662
Additions	2,468	17,737	20,193,458	20,213,663
Disposals	-	(4,848)	(14,538,931)	(14,543,779)
At 31 December 1994	<u>8,690</u>	<u>50,924</u>	<u>11,601,932</u>	<u>11,661,546</u>
Accumulated Depreciation				
At 1 January 1994	2,293	12,870	67,949	83,112
Charge for the year	1,543	14,536	855,145	871,224
Disposals	-	(1,929)	(415,258)	(417,187)
At 31 December 1994	<u>3,836</u>	<u>25,477</u>	<u>507,836</u>	<u>537,149</u>
Net book value				
At 31 December 1994	<u>4,854</u>	<u>25,447</u>	<u>11,094,096</u>	<u>11,124,397</u>
At 31 December 1993	<u>3,929</u>	<u>25,165</u>	<u>5,879,456</u>	<u>5,908,550</u>

Fixed assets include £9,787,791 (1993 : £4,999,286) in respect of assets held on finance leases. £9,963,096 of assets are leased out to third parties on operating leases (1993 : £5,742,159).

10. INTANGIBLE FIXED ASSETS

	£
Franchise cost at 1 January 1994	421,876
Discount for early repayment of franchise loan	(12,768)
Franchise cost at 31 December 1994	<u>409,108</u>
Accumulated amortisation at 1 January 1994	101,971
Charge for the year	42,204
At 31 December 1994	<u>144,175</u>
Net Book Value	
At 31 December 1994	<u>264,933</u>
At 31 December 1993	<u>319,905</u>


**NOTES TO THE ACCOUNTS
31 December 1994**
11. DEBTORS

	31 December 1994	31 December 1993
	£	£
Trade debtors	1,215,155	551,703
Other debtors	164,177	142,413
Amounts receivable under finance leases	3,119,048	179,384
Prepayments and accrued income	70,662	7,705
	<u>4,569,042</u>	<u>881,205</u>

The cost of assets acquired for the purpose of letting under finance leases is £5,197,989 (1993: £166,244).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 1994	31 December 1993
	£	£
Loan note	-	68,243
Bank loans and overdrafts	215,719	51,457
Trade creditors	1,165,112	720,690
Obligations under finance leases	11,393,048	4,810,864
Advance corporation tax payable	41,371	37,636
Other taxes and social security	24,219	16,462
Other creditors	52,054	90,568
Accruals and deferred income	834,237	590,020
Proposed dividend	34,312	17,156
	<u>13,760,072</u>	<u>6,403,096</u>

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

	31 December 1994	31 December 1993
	£	£
Loan note	-	209,698
12% convertible loan stock	22,926	22,926
	<u>22,926</u>	<u>232,624</u>

The 12% convertible loan stock of £22,926 falls due for payment after more than 5 years.


NOTES TO THE ACCOUNTS
31 December 1994
14. BORROWINGS

	31 December 1994	31 December 1993
	£	£
Bank Overdraft	215,719	51,457
12% Convertible Loan Stock	22,926	22,926
Loan note	-	277,941
	<u>238,645</u>	<u>352,324</u>

The loan stock is convertible to 2 ordinary shares for every £1 of stock held on 19 January 2001.

A floating charge, over the company's assets, exists in respect of hiring agreements between Ford Credit Plc and the company.

	31 December 1994	31 December 1993
	£	£
Analysis of loan repayments		
Within one year	-	68,243
Between two and five years	-	209,698
After more than five years	22,926	22,926
	<u>22,926</u>	<u>300,867</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred taxation	
Balance at 1 January 1994	432,355
Provision - current year	511,798
- prior year	(50,856)
Advance corporation tax	(11,975)
Balance at 31 December 1994	<u>881,322</u>

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

	Provided 31 December 1994 £	Provided 31 December 1993 £	Not Provided 31 December 1994 £'000	Not Provided 31 December 1993 £'000
Capital allowances in excess of depreciation	1,364,982	504,980	-	-
Other timing differences	46,660	(32,230)	-	-
Advance corporation tax	(52,470)	(40,395)	-	-
Less losses	(477,850)	-	-	-
	<u>881,322</u>	<u>432,355</u>	<u>-</u>	<u>-</u>



NOTES TO THE ACCOUNTS
31 December 1994

16. CALLED UP SHARE CAPITAL

	31 December 1994 £	31 December 1993 £
Authorised		
124,372 'A' ordinary shares of £1 each	124,372	124,372
875,628 'B' ordinary shares of £1 each	875,628	875,628
175,000 10% cumulative redeemable preference shares of £1 each	175,000	175,000
	<u>1,175,000</u>	<u>1,175,000</u>
Called up, allotted and fully paid		
124,372 'A' ordinary shares of £1 each	124,372	124,372
47,189 'B' ordinary shares of £1 each	47,189	47,189
175,000 10% cumulative redeemable preference shares of £1 each	175,000	175,000
	<u>346,561</u>	<u>346,561</u>
	1994	1993
	£	£
Equity shares	171,561	171,561
Non equity shares	175,000	175,000
	<u>346,561</u>	<u>346,561</u>

Rights attached to each class of share

i) Rights to dividends

The profits of the company available for distribution shall be applied to:

- First, the holders of the preference shares for a dividend of 8% per annum on cost.
- Next, the holders of the ordinary shares for any further profits which the company determines to distribute. For this purpose the 'A' and 'B' ordinary shares count together as a single class of shares.

ii) Redemption of shares

10% cumulative redeemable preference shares may be redeemed by the company in tranches of not less than 10,000 shares, with notice of 28 days clear by the company to the members. The company is obliged to redeem all preference shares in issue on 30 June 1998 at par.

iii) Voting rights attached to shares

The 'A' and 'B' ordinary shares carry equal voting rights.

The holders of preference shares are not entitled to vote except where the meeting concerns the alteration of the rights of preference shareholders.



NOTES TO THE ACCOUNTS

31 December 1994

16. CALLED UP SHARE CAPITAL (continued)

iv) Return of capital

On a return of capital the surplus assets shall be applied to repay:

- First, preference shareholders for paid up capital and dividend arrears.
- Next, ordinary shareholders for paid up capital (including any premium).
- Next, any balance will be distributed amongst the holders of the ordinary shares. For this purpose the 'A' and 'B' ordinary shares shall rank together as a single class of shares.

17. FINANCIAL COMMITMENTS

	31 December 1994	31 December 1993
	£	£
Obligations under finance leases and hire purchase contracts which will commence after 1 January 1995		
Amounts due within one year	11,393,048	4,513,218

Operating lease commitments

	31 December 1994		31 December 1993	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases which expire:				
Within one year	-	180,197	15,000	235,949
Within 2 to 5 years	99,083	637	-	600
	<u>99,083</u>	<u>180,834</u>	<u>15,000</u>	<u>236,549</u>

18. RESERVES

	Share Premium Account	Profit & Loss Account
	£	£
Balance as at 1 January 1994	32,100	900,605
Retained profit for the year	-	1,438,110
Balance as at 31 December 1994	<u>32,100</u>	<u>2,338,715</u>

19. PENSIONS

The total pension cost for the company was £13,149 (1993: £6,234). There were no outstanding or prepaid contributions at the balance sheet date.


NOTES TO THE ACCOUNTS
31 December 1994
20. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Operating profit	2,423,838	734,465
Depreciation	871,224	102,531
Amortisation of franchise fee	42,204	21,102
(Profit)/loss on disposal of fixed assets	(473,642)	(26,399)
Decrease/(Increase) in debtors	(3,687,837)	362,516
Increase in creditors	657,882	448,492
	<u>(166,331)</u>	<u>1,642,707</u>

21. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	£
As at 1 July 1993	516,110
Net cash inflow	<u>670,114</u>
As at 1 January 1994	1,186,224
Net cash inflow	<u>21,381</u>
As at 31 December 1994	<u>1,207,605</u>

22. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	30 June 1993 £	Change in period £	31 December 1993 £	Change in year £	31 December 1994 £
Cash at bank and in hand	516,110	721,571	1,237,681	185,643	1,423,324
Bank overdraft	-	(51,457)	(51,457)	(164,262)	(215,719)
	<u>516,110</u>	<u>670,114</u>	<u>1,186,224</u>	<u>21,381</u>	<u>1,207,605</u>



NOTES TO THE ACCOUNTS
31 December 1994

23. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital (including premium) £	Loans and finance lease obligations £	Total £
As at 1 July 1993	171,561	2,832,315	3,003,876
Cash inflow/(outflow) from financing	207,100	(2,760,459)	(2,553,359)
Inception of finance leases	-	5,039,875	5,039,875
As at 1 January 1994	378,661	5,111,731	5,490,392
Cash outflow from financing	-	(12,572,817)	(12,572,817)
Inception of finance leases	-	18,877,060	18,877,060
As at 31 December 1994	378,661	11,415,974	11,794,635



FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

ADDITIONAL INFORMATION - INTRODUCTORY STATEMENT

The additional information on pages 21 to 23 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.


DETAILED PROFIT AND LOSS ACCOUNT
31 December 1994

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
SALES		
Lease plan income	2,459,236	1,376,237
Buyback income	2,952,643	836,385
Outright sales	25,108,282	11,779,778
Used car sales	14,524,224	26,718
Management fees	436,042	160,215
Other fees and commission	168,524	41,106
Direct rental income	601,750	-
Total sales	<u>46,250,701</u>	<u>14,220,439</u>
 COST OF SALES		
Lease plan costs	1,777,900	786,783
Buyback costs	308,917	334,380
Outright sales costs	23,892,742	11,291,620
Used car costs	14,050,582	-
Management fees	204,278	65,566
Other fees and commissions	21,940	51,799
Direct rental costs	518,197	6,991
Total cost of sales	<u>40,774,556</u>	<u>12,537,139</u>
GROSS PROFIT	<u>5,476,145</u>	<u>1,683,300</u>
 OTHER INCOME		
Interest receivable	288,352	18,886
 OTHER COSTS		
CLM fees	313,648	137,937
TRAC fees	-	6,300
	<u>5,450,849</u>	<u>1,557,949</u>
 OVERHEADS		
Directors' remuneration	171,560	121,394
Salaries	548,908	144,533
Employer's NI	82,298	30,054
Pensions	13,149	6,234
Rent and rates	40,919	11,745
Equipment rental	6,715	4,462
	<u>863,549</u>	<u>318,422</u>


**DETAILED PROFIT AND LOSS ACCOUNT
31 December 1994**
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (continued)

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Balance b/fwd.	863,549	318,422
Telephone and fax	35,006	12,036
Advertising	122,205	66,610
Print, postage and stationery	31,964	12,259
Office expenses	6,836	595
Audit and accountancy	21,600	11,913
Interest element of finance lease rentals	690,922	189,987
Bank interest and charges	19,819	13,262
Insurance	29,134	11,103
Provision for insurance losses	5,329	15,812
Repairs and maintenance	4,095	1,501
Credit card charges	371	-
Heat and light	1,799	458
Write-off of part of amount paid to Handy value Limited	50,000	17,167
Bad debts	285,569	49,421
Motor running - fuel	15,209	3,779
- repairs	2,792	5,715
- insurance	5,030	17,184
Travel and subsistence	17,984	3,398
Entertainment - non staff	856	1,081
- staff	6,303	553
Legal and professional	63,731	20,104
New franchising	74,133	34,331
Marketing	101,481	10,203
Training	8,354	3,973
Subscriptions	1,349	245
Depreciation - Furniture and fittings	1,543	620
- Office equipment	5,372	2,413
- Motor vehicles	855,145	96,763
Franchise fee	44,992	27,126
Convention	36,100	5,324
Loss on exchange	(19,077)	954
Interest on initial fee	17,390	12,097
Loss on sale of fixed assets	-	319
Loan stock interest	2,751	2,339
Licensee bonuses	43,335	-
	<u>3,452,971</u>	<u>969,067</u>


DETAILED PROFIT AND LOSS ACCOUNT
31 December 1994
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (continued)

	Year ended 31 December 1994 £	6 months ended 31 December 1993 £
Balance b/fwd	3,452,971	969,067
Computer training/support	6,503	10,682
Computer depreciation	7,236	2,734
Computer expenses	81	-
Computer revenue	2,750	(2,200)
Total overheads	3,469,541	980,283
Profit before share deal costs	1,981,308	577,666
SBMG share deal costs	-	42,000
NET PROFIT FOR THE FINANCIAL YEAR/PERIOD BEFORE TAXATION	1,981,308	535,666