

26-06-02

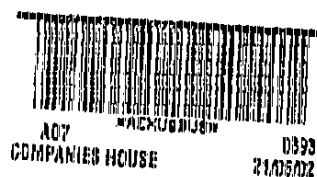
Deloitte
& Touche

Company Registration No. 2590136

FLIGHTFORM LIMITED T/A THRIFTY
CAR RENTAL

Report and Accounts

31 December 2001

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

26 - 06 - 02**FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL****Deloitte
& Touche****REPORT AND ACCOUNTS 2001****CONTENTS****Page**

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent Auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Reconciliation of movements in shareholders' funds	6
Balance sheet	7
Notes to the accounts	8

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

**Deloitte
& Touche**

REPORT AND ACCOUNTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D C A Bramall
R J Burton
A Burton
G J Easton
M R Brandom
J P Ryan
A C Ingreys-Senn

SECRETARY

A Burton

REGISTERED OFFICE

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

BANKERS

Barclays Bank plc
P O Box 2431
60 Queens Road
Reading

SOLICITORS

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

AUDITORS

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

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& Touche**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

ACTIVITIES

The company owns both the Thrifty Rent-A-Car and Vehicle Rental Services franchises in the UK. The principle activities include the provision of cars and vans, finance, insurance, sales and marketing support and reservations to its franchisee networks.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Year 2001 like 2000 was a year in which we reduced our exposure to number of loss making activities.

There were four principal reasons for the company's disappointing performance.

1. The company operated a much larger number of corporate rental locations than planned. This was primarily as a result of the original franchisee ceasing to trade. The total losses for this division were £582,200 (2000 £608,400). Only four corporate locations remain, and we have reduced losses at these locations substantially in the first four months of 2002.
2. Truck Rental. The company operated a 100% subsidiary Ditchbridge Limited, renting out 7.5 ton up to 44 ton trucks to a mixed customer base. It was clear that previous management had created both poor truck operating leases and a poor customer profile. The subsidiary generated losses of £542,900 in the year (2000 - 8 months - £178,900) from a combination of trading losses and bad debt write off. The company has provided £650,000 against a loan to Ditchbridge Ltd (2000 nil). A substantial part of the risk of this business has been transferred to a management buy out.
3. Used Vehicle Losses. The company took a decision to acquire significant numbers of vehicles on risk in late 2000 and early 2001, as the Board felt residual values had bottomed out. This proved not to be the case and there were losses of £885,300 (2000 profit £217,445) against net book value. Subsequently the Board has pulled back significantly from taking on risk vehicles, the percentage of fleet 'on risk' having dropped from 24% to 11% over the last six months. Virtually all new manufacturer arrangements are on the basis of 100% buy back.

Losses in 2002 have significantly reduced, and we expect the % of vehicles on risk to drop to 7% by September 2002.
4. Licensee failures. The company suffered from a number of licensee failures. The licensee bad debt charge to P&I was £431,700 (2000 £692,800). These have since reduced substantially. The expectation is that they will reduce to less than £0.25 million in 2002.

Although the UK rental market will remain competitive, the Directors are optimistic about the company's long-term prospects. With a more financially secure network of licensees and fewer corporate locations, the Directors are confident that the company can achieve its objective of providing the network with quality products and services, whilst generating a profit for both licensees and the company.

In early 2002, good progress has been already made in achieving this objective.

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& Touche

DIRECTORS' REPORT

DIVIDENDS AND TRANSFERS TO RESERVES

The directors recommend the payment of a final dividend of £971,170 (2000: £193,863) for the year ended 31 December 2001, leaving a loss of £1,143,664 (2000: loss £126,928) to be transferred from reserves.

FIXED ASSETS

Information relating to changes in tangible and intangible fixed assets is given in notes 9 to 11 of the financial statements.

DIRECTORS AND THEIR INTERESTS

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

D C A Bramall
R J Burton
A Burton
G J Easton
M R Brandom
J P Ryan (appointed 1 April 2001)
A C Ingrey-Senn
W P Wilcox (resigned 12 September 2001)

The directors held no interests in the share capital of the company during the year

The directors' interests in the ordinary shares of the ultimate parent company Flightform UK Limited are disclosed below

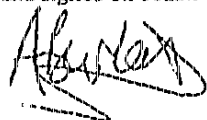
	'B' ordinary shares of £1 each	
	31 December 2001	31 December 2000 (or date of appointment)
G Easton	110,000	110,000
M Brandom	35,000	35,000
J P Ryan	35,000	-

D C A Bramall, R J Burton, A Burton and A C Ingrey-Senn are directors of Flightform UK Limited, the ultimate parent company and their interests in the share capital of that company are shown in its directors' report.

AUDITORS

A resolution to reappoint Deloitte & Touche as auditors to the company will be proposed at the forthcoming Annual General Meeting.

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



A Burton

Director

28th May 2002

26 - 06 - 02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& Touche**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 the company's system of internal financial control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

26-06-02

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



Tel: National 0113 243 9021
International + 44 113 243 9021
Fax: 0113 244 5580
DX 26423 - Leeds Park Sq.
www.deloitte.co.uk

INVESTOR IN PEOPLE

**Deloitte
& Touche**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLIGHTFORM LIMITED

We have audited the financial statements of Flightform Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movement in shareholders' funds and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Chartered Accountants and
Registered Auditors

2002

Deloitte
Touche
Tohmatsu

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& TouchePROFIT AND LOSS ACCOUNT
Year ended 31 December 2001

	Note	Before Exceptional Items 2001 £	Exceptional Items 2001 £	Total 2001 £	2000 £
TURNOVER - continuing operations	2	74,901,174	-	74,901,174	64,643,002
Cost of sales	3	(61,267,974)	(171,014)	(61,438,988)	(51,177,380)
Gross profit		<u>13,633,200</u>	<u>(171,014)</u>	<u>13,462,186</u>	<u>13,465,622</u>
Administrative expenses (including exceptional write off of inter company balances of £890,000 (2000: £727,000))				(11,465,062)	(11,343,459)
OPERATING PROFIT - continuing operations	3			1,997,124	2,122,163
Interest payable and similar charges	5			(2,320,972)	(2,338,630)
Interest receivable and similar income	6			413,846	431,737
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				89,998	215,270
Tax on profit on ordinary activities	7			(262,492)	(148,335)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR				<u>(172,494)</u>	<u>66,935</u>
Dividends	8			(971,170)	(193,863)
RETAINED LOSS TRANSFERRED FROM RESERVES	19			<u>(1,143,664)</u>	<u>(126,928)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses for the current financial year or the previous financial year other than as stated in the profit and loss account, therefore no statement of total recognised gains and losses is presented.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
(Loss)/profit for the financial year	(172,494)	66,935
Dividends	(971,170)	(193,863)
Net reduction in shareholders' funds	<u>(1,143,664)</u>	<u>(126,928)</u>
Opening shareholders' funds	3,080,517	3,207,445
Closing shareholders' funds	<u>1,936,853</u>	<u>3,080,517</u>

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& ToucheBALANCE SHEET
31 December 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Investments	9	129,644	110,001
Tangible assets	10	36,243,155	34,829,713
Intangible assets	11	-	11,709
		<u>36,372,799</u>	<u>34,951,423</u>
CURRENT ASSETS			
Stocks	12	46,205	58,257
Debtors	13	16,222,733	19,250,801
Cash at bank and in hand		2,687	-
		<u>16,271,625</u>	<u>19,309,058</u>
CREDITORS: amounts falling due within one year	14	<u>(41,233,031)</u>	<u>(46,699,054)</u>
NET CURRENT LIABILITIES		<u>(24,961,406)</u>	<u>(27,389,996)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,411,393</u>	<u>7,561,427</u>
CREDITORS: amounts falling due after more than one year	15	<u>(5,987,540)</u>	<u>(1,305,910)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	16	<u>(3,487,000)</u>	<u>(3,175,000)</u>
		<u>1,936,853</u>	<u>3,080,517</u>
CAPITAL AND RESERVES			
Called up share capital	17	172,391	172,391
Share premium account	19	32,100	32,100
Capital redemption reserve	19	175,000	175,000
Profit and loss account	19	1,557,362	2,701,026
TOTAL SHAREHOLDERS' FUNDS		<u>1,936,853</u>	<u>3,080,517</u>
Shareholders' funds are attributable to:			
Equity shareholders' funds		1,812,481	2,956,145
Non equity shareholders' funds		124,372	124,372
TOTAL SHAREHOLDERS' FUNDS		<u>1,936,853</u>	<u>3,080,517</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

28th May 2002.


R. J. Burton
Director

26-06-02

FLIGHTFORM LIMITED T/A THIRTY CAR RENTAL

Deloitte
& Touche

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom 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:

Freehold land	2% per annum
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 and hire purchase contracts

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 so as to produce a constant rate of return on the net cash investment in 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.

Cash flow statement

The company has taken advantage of the exemption available in Financial Reporting Standard 1 as a wholly owned subsidiary, not to prepare a cash flow statement.

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.

26 - 06 - 02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& Touche

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

3. OPERATING PROFIT

	2001	2000
Operating profit is stated after charging/(crediting):	£	£
Auditors' remuneration - audit fees	34,000	32,100
- non audit fees	24,000	22,840
Depreciation		
Owned assets	107,925	122,646
Assets held on finance leases and hire purchase contracts	5,177,726	4,793,022
Amortisation of franchise fee	11,709	42,204
Hire of equipment	42,873	39,327
Rental income in respect of operating leases	(12,871,418)	(12,351,412)
Rental income in respect of hire purchase agreements	(3,234,990)	(2,450,397)

Exceptional costs within costs of sales, amounting to £171,014 (2000: £369,899), relate to losses arising on sale of vehicles under a new supply arrangement which has subsequently been terminated.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001	2000
Average number of persons employed (including directors)	No	No
Administration	92	93
Sales	24	31
	116	124
	£	£
Employee Costs		As restated
Wages and salaries	2,202,663	2,393,872
Social security costs	192,927	205,186
Pension contributions	30,514	23,480
	2,426,104	2,622,538
Directors' emoluments:		
Salary, bonuses and fees	405,990	351,915
Pension contributions	15,318	14,015
	421,308	365,930

The prior year figure for salary, fees and bonuses has been restated from £251,915 to correct a typographical error. Five directors are members of the company's money purchase pension scheme arrangements.

The emoluments of the highest paid director were £86,166 including pension contributions to the company's money purchase pension scheme of £4,392.

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

**Deloitte
& Touche**

NOTES TO THE ACCOUNTS Year ended 31 December 2001

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank interest	143,765	168,477
Finance lease and hire purchase contract interest	2,177,207	2,170,153
	<u>2,320,972</u>	<u>2,338,630</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £	2000 £
Bank interest	47,619	120,244
Finance lease interest	366,227	311,493
	<u>413,846</u>	<u>431,737</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
United Kingdom corporation tax at 30% (2000: 31%) based on the profit for the year	-	10,000
Deferred taxation	312,000	137,000
	<u>312,000</u>	<u>147,000</u>
Adjustment to prior years: Corporation tax	(49,508)	1,335
	<u>262,492</u>	<u>148,335</u>

The tax charge is higher than a normal rate due to expenditure not deductible for tax purposes.

8. DIVIDENDS

	2001 £	2000 £
Equity dividends		
Final dividend of £5.66 per ordinary share (2000: £1.13)	971,170	193,863
Total equity dividends	<u>971,170</u>	<u>193,863</u>

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

**Deloitte
& Touche**

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

9. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary companies £	Shares in associated companies £	Total £
Cost			
At 1 January 2001	159,168	17,000	176,168
Additions	-	19,643	19,643
At 31 December 2001	159,168	36,643	195,811
Provisions			
At 1 January 2001	(49,167)	(17,000)	(66,167)
Provisions for impairment in value	-	-	-
At 31 December 2001	(49,167)	(17,000)	(66,167)
Net book value			
At 31 December 2001	110,001	19,643	129,644
At 31 December 2000	110,001	-	110,001

During the year, the company acquired a 25% interest in the Ordinary share capital of Belldrive Ltd for a cash consideration of £12,500 and a 25% interest in the Ordinary share capital of Thrifty European Services Ltd for a cash consideration of £7,143.

The subsidiary and associated undertakings are:

Company	Shareholding	Nature of business
Flightform Insurance Ltd	100%	Insurance
Lexiscorp Ltd	100%	Dormant
After Accident Care Ltd	75%	Dormant
Threadwill Ltd	70%	Dormant
Flightform (Darlington) Ltd	100%	Vehicle rental
Vehicle Car & Van Rental Ltd	100%	Vehicle rental
Special Projects and Investigations Ltd	20%	Vehicle rental
Flightform (Edinburgh) Ltd	100%	Vehicle rental
Belldrive Ltd	25%	Vehicle rental
Thrifty European Services Ltd	25%	Dormant
Car Rentals Limited	100%	Dormant
Vehicle Rental Services Limited	100%	Dormant
Flightform (Cambridge) Ltd	100%	Dormant

All subsidiary and associated companies are incorporated in England with the exception of Flightform Insurance Ltd which is incorporated in Guernsey.

Group accounts have not been prepared as the company is a wholly owned subsidiary of Flightform UK Limited which prepares group accounts under UK legislation.

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& Touche

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

10. TANGIBLE FIXED ASSETS

	Freehold land £	Furniture & fittings £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2001	402,371	100,932	427,645	37,623,173	38,554,121
Additions	-	14,005	51,858	46,106,329	46,172,192
Disposals	(2,354)	(8,825)	(21,834)	(44,384,400)	(44,417,413)
At 31 December 2001	400,017	106,112	457,669	39,345,102	40,308,900
Accumulated Depreciation					
At 1 January 2001	444	50,743	257,240	3,415,981	3,724,408
Charge for the year	259	20,240	80,426	5,184,726	5,285,651
Disposals	(703)	(12,238)	(19,069)	(4,912,304)	(4,944,314)
At 31 December 2001	-	58,745	318,597	3,688,403	4,065,745
Net book value					
At 31 December 2001	400,017	47,367	139,072	35,656,699	36,243,155
At 31 December 2000	401,927	50,189	170,405	34,207,192	34,829,713

The cost of motor vehicles includes £39,322,005 (2000: £36,891,705) in respect of assets held under finance leases and hire purchase contracts with accumulated depreciation of £3,686,239 (2000: £3,349,573). The cost of assets leased to third parties on operating leases is £34,726,502 (2000: £32,672,696) with accumulated depreciation of £3,255,434 (2000: £2,966,504).

11. INTANGIBLE FIXED ASSETS

	Franchise fee £
Cost	
At 1 January 2001 and 31 December 2001	409,107
Accumulated amortisation	
At 1 January 2001	397,398
Charge for the year	11,709
At 31 December 2001	409,107
Net Book Value	
At 31 December 2001	-
At 31 December 2000	11,709

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& Touche

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

12. STOCKS

	2001 £	2000 £
Goods for resale	46,205	58,257

13. DEBTORS

	2001 £	2000 £
Trade debtors	7,605,596	12,781,090
Amounts owed by Flightform UK Limited	2,242,760	1,449,453
Amounts owed by subsidiary companies	1,328,957	1,381,235
Other debtors	624,566	318,445
Amounts receivable under hire purchase agreements	4,126,792	2,722,866
Prepayments and accrued income	255,062	458,712
Dividend receivable	39,000	139,000
	<u>16,222,733</u>	<u>19,250,801</u>

The cost of assets acquired for the purpose of letting under hire purchase contracts is £4,444,060 (2000: £1,609,248).

Of the amounts receivable above, £200,000 is due after one year (2000: £nil).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank overdrafts	1,469,786	3,757,734
Bank loan (see note 15)	20,000	20,000
Trade creditors	3,658,414	6,407,009
Obligations under finance lease and hire purchase contracts	32,591,374	33,307,363
Corporation tax	-	10,000
Other taxes and social security	347,240	255,938
Other creditors	398,588	674,644
Accruals and deferred income	1,776,459	2,072,503
Proposed dividend	971,170	193,863
	<u>41,233,031</u>	<u>46,699,054</u>

Obligations under finance lease and hire purchase contracts are secured against the related assets.

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& ToucheNOTES TO THE ACCOUNTS
Year ended 31 December 2001

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

	2001 £	2000 £
Obligations under finance leases and hire purchase contracts due between one and two years	5,862,540	1,166,910
Bank loan	125,000	145,000
	<u>5,987,540</u>	<u>1,305,910</u>
Analysis of loan repayments		
Bank loan		
Within one year (see note 14)	20,000	20,000
Between one and two years	20,000	20,000
Between two and five years	60,000	60,000
Greater than five years	45,000	65,000
	<u>145,000</u>	<u>165,000</u>

The bank loan is secured by way of a legal mortgage over freehold property owned by the company and bears interest at Barclays Bank base rate plus 1.5%.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred taxation	
Balance at 1 January 2001	3,175,000
Provision - current year	312,000
	<u>3,487,000</u>
Balance at 31 December 2001	

The amounts provided and unprovided in the accounts are as follows.

	Provided		Not Provided	
	31 December 2001 £	31 December 2000 £	31 December 2001 £	31 December 2000 £
Capital allowances in excess of depreciation	3,575,000	3,133,000	-	-
Other timing differences	(88,000)	42,000	-	-
	<u>3,487,000</u>	<u>3,175,000</u>	<u>-</u>	<u>-</u>

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& Touche

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

17. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised		
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
124,372 ordinary shares of US\$0.01 each	830	830
124,372 deferred shares of £1 each	124,372	124,372
	<u>1,175,830</u>	<u>1,175,830</u>
Called up, allotted and fully paid		
47,189 'B' ordinary shares of £1 each	47,189	47,189
124,372 ordinary shares of US\$0.01 each	830	830
124,372 deferred shares of £1 each	124,372	124,372
	<u>172,391</u>	<u>172,391</u>
Equity shares	48,019	48,019
Non equity shares	124,372	124,372
	<u>172,391</u>	<u>172,391</u>

Rights attached to each class of share

i) Rights to dividends

The holders of the ordinary shares are entitled to any profits which the company determines to distribute. For this purpose the US\$0.01 and 'B' ordinary shares count together as a single class of shares.

The holders of the deferred shares have no rights to a distribution of profits.

ii) Voting rights attached to shares

The US\$0.01 and 'B' ordinary shares carry equal voting rights.

The holders of the deferred shares are not entitled to any voting rights.

iii) Return of capital

On a return of capital the surplus assets shall be applied to repay ordinary shareholders for paid up capital with any balance to be distributed amongst the holders of the ordinary shares. For this purpose the US\$0.01 and 'B' ordinary shares shall rank together as a single class of shares.

The holders of deferred shares shall only be entitled to participate in the capital of the company after the holders of every other class of shares has received the sum of £1 million in respect of each share held.

18. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 December 2001 the company was committed to making the following annual payments under non-cancellable operating leases:

	Land and Buildings 2001 £	Land and Buildings 2000 £	Other 2001 £	Other 2000 £
Leases which expire				
Within one year	-	-	415,972	959,635
Between one and two years	65,000	65,000	-	-
	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>-</u>

26-06-02

FLIGHTFORM LIMITED T/A THRIFTY CAR RENTAL

Deloitte
& Touche

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

19. RESERVES

	Share Premium Account £	Capital Redemption Reserve £	Profit & Loss Account £
Balance as at 1 January 2001	32,100	175,000	2,701,026
Retained loss for the year	-	-	(1,143,664)
Balance as at 31 December 2001	32,100	175,000	1,557,362

20. PENSIONS

The total pension cost for the company was £30,514 (2000: £23,480). There were no outstanding or prepaid contributions at the balance sheet date.

21. CONTINGENT LIABILITIES

The company is party to a cross guarantee and debenture in respect of the bank borrowings of the group. The bank loans and overdrafts are secured by a legal charge over the freehold property and other fixed assets of the company and by fixed and floating charges over other assets and the undertaking of the company.

22. ULTIMATE PARENT COMPANY

The ultimate parent company is Flightform UK Limited, a company incorporated in Great Britain and registered in England. Copies of the accounts of the ultimate parent company can be obtained from Companies House, Cardiff.

23. RELATED PARTIES

The company provides vehicles on hire and related services to After Accident Care Limited, a 75% owned subsidiary, on normal commercial terms. Sales in the year amounted to £Nil (2000: £107,807) and the balance outstanding at 31 December 2001 was £Nil (2000: £Nil). A loan is provided to the company and the balance outstanding at 31 December 2001 was £252,500 (2000: £267,500) net of a provision of £542,500 (2000: £542,500). Interest is charged on the loan at a rate of 3% over base rate and interest payable in the year amounted to £Nil (2000: £49,576).

The company also provides vehicles on hire and related services to Threadwill Limited, a 70% owned subsidiary on normal commercial terms. Sales in the year amounted to £7,886 (2000: £309,637). The balance outstanding at 31 December 2001 was £2,329 (2000: £17,533). Purchases in the year amounted to £nil (2000: £31,888). The balance outstanding at 31 December 2001 was £Nil (2000: £4,494). A loan is provided to the company and the balance outstanding at 31 December 2001 was £Nil, net of a provision of £160,000.

The company also provides vehicles on hire and related services to Belldrive Limited, in which the company has a 25% interest, on normal commercial terms. Sales in the year amounted to £69,833. The balance outstanding at 31 December 2001 was £50,059. Purchases in the year amounted to £41,123. The balance outstanding at 31 December 2001 was £3,026. A loan is provided to the company and the balance outstanding at 31 December 2001 was £200,000.

The company purchases vehicles from and sells vehicles to various trading subsidiaries of C D Bramall plc which owns 37.5% of the Ordinary Share capital of the company's parent, Flightform UK Limited. These transactions are all conducted on an arm's length basis. Details of the value of these transactions during the year and the balance outstanding at 31 December 2001 are summarised below:

	2001 £	2000 £
Vehicle sales	2,389,494	1,160,799
Vehicle purchases	2,303	678,700
Balance owed to Flightform Limited	38,709	28,292