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**SOL CAR RENTALS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**



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**FOR THE YEAR ENDED 31 DECEMBER 1998**

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**SOL CAR RENTALS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

**DIRECTORS:**

J S SHERWOOD  
S BINCH

**SECRETARY:**

S WOOLLEY

**REGISTERED OFFICE:**

MAZARS NEVILLE RUSSELL HOUSE  
1 TELFORD WAY  
LUTON  
BEDFORDSHIRE  
LU1 1HT

**REGISTERED NUMBER:**

2974983

**AUDITORS:**

MAZARS NEVILLE RUSSELL  
NEVILLE RUSSELL HOUSE  
1 TELFORD WAY  
LUTON  
BEDFORDSHIRE  
LU1 1HT

## **SOL CAR RENTALS LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the financial statements for the year ended 31 December 1998.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- o select suitable accounting policies and then apply them consistently;
- o make judgements and estimates that are reasonable and prudent;
- o comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- o 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.

#### **REVIEW OF THE BUSINESS**

The principal activity of the company is the provision of car hire.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

#### **RESULTS**

The profit for the year after taxation was £41,561. The directors do not recommend the payment of any dividend. Retained profits of £41,561 have been transferred to reserves.

## **SOL CAR RENTALS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **DIRECTORS**

The directors set out in the table below have held office during the whole of the year from 1 January 1998 to the date of this report unless otherwise stated.

No director holding office in the period had any interest in the shares of this company or of fellow subsidiary companies. The interests of the directors holding office on 31 December 1998, in the shares of the holding company, according to the Register of Directors' Interests, were as shown below:

Director's Name	DRIVE ASSIST UK PLC	
	Ordinary shares of £1 each	
	31 December 1998	1 January 1998
	Beneficial Interests	Beneficial Interests
J S Sherwood	20,468	19,840
S Binch	20,468	19,840

#### **YEAR 2000 COMPLIANCE**

The group is in the process of reviewing and updating its computer equipment and programmes to ensure that the systems will be year 2000 compliant. The directors expect this process to be completed by the middle of 1999. The cost of new equipment and related software is capitalised in the accounts, as part of the group's normal replacement policy, and the directors expect future costs in connection with this process will be in line with budgets.

#### **CREDITOR PAYMENT POLICY**

The company does not have a written policy on the payment of trade creditors. However, the company intends to pay all trade creditors promptly within the payment terms agreed with them.

#### **AUDITORS**

During the year, our auditors, Neville Russell, changed their name to Mazars Neville Russell.

The auditors, Mazars Neville Russell, have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

Approved by the Board on 22 July 1999  
and signed on its behalf by



, Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS OF SOL CAR RENTALS LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared following the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1, 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 an 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 1998 and of the profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



MAZARS NEVILLE RUSSELL  
CHARTERED ACCOUNTANTS  
and Registered Auditors

Date: 22 July 1999

**SOL CAR RENTALS LIMITED**

**PROFIT AND LOSS ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

	Notes	Year Ended 31 December 1998 £	Year Ended 31 December 1997 £
<b>TURNOVER</b>		2,833,785	1,487,487
Cost of sales		(2,242,679)	(1,135,262)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		591,106	352,225
Administrative expenses		(549,480)	(203,125)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	41,626	149,100
Interest payable and similar charges		(65)	-
Taxation on profit on ordinary activities	6		-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	10	41,561	149,100
		<hr/>	<hr/>

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.


The profit for the year has been calculated on the historical cost basis.

**SOL CAR RENTALS LIMITED****BALANCE SHEET AT 31 DECEMBER 1998**

	Notes	31 December 1998 £	31 December 1997 £
<b>CURRENT ASSETS</b>			
Debtors	7	548,290	416,720
Cash at bank and in hand		16,122	-
		<hr/>	<hr/>
		564,412	416,720
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
	8	(294,013)	(187,882)
		<hr/>	<hr/>
<b>NET ASSETS</b>		270,399	228,838
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	270,398	228,837
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	270,399	228,838
		<hr/>	<hr/>

Approved by the Board on  
and signed on its behalf by

 , Director

 , Director



# **SOL CAR RENTALS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 1998**

#### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards.

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods to customers.

c) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that is probable that a liability will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

#### **2. SEGMENTAL INFORMATION**

The company operates in the UK and the whole of its turnover is to the UK market.

#### **3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit on ordinary activities before taxation is stated after charging:

	<b>Year Ended 31 December 1998 £</b>	<b>Year Ended 31 December 1997 £</b>
Auditors' remuneration - Audit	2,400	750
	<u>          </u>	<u>          </u>

#### **4. STAFF COSTS**

	<b>Year Ended 31 December 1998 £</b>	<b>Year Ended 31 December 1997 £</b>
Wages and salaries	12,389	-
Social Security costs	649	-
	<u>          </u>	<u>          </u>
	13,038	-
	<u>          </u>	<u>          </u>

**SOL CAR RENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

**4. STAFF COSTS (CONTINUED)**

Average number of persons, including executive directors,  
employed by the company during the period:

	<b>1998 Number</b>	<b>1997 Number</b>
Management	1	-
Distribution	-	-
	<hr/>	<hr/>
	1	-
	<hr/>	<hr/>

**5. DIRECTORS**

No director received emoluments for services in either the current or the comparative period.

**6. TAXATION**

There was no liability for taxation in either the current or the comparative period.

**7. DEBTORS**

	<b>31 December 1998 £</b>	<b>31 December 1997 £</b>
<b>DUE WITHIN ONE YEAR:</b>		
Trade debtors	400,875	244,260
Amounts owed by Group Undertakings	147,415	172,460
	<hr/>	<hr/>
	548,290	416,720
	<hr/>	<hr/>

**SOL CAR RENTALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 December 1998</b>	<b>31 December 1997</b>
	<b>£</b>	<b>£</b>
Bank loans and overdraft	-	718
Amounts owed to group undertakings	21,316	-
Trade creditors	65,119	29,332
Other taxation	123,039	108,088
Accruals	84,539	49,744
	<hr/>	<hr/>
	294,013	187,882
	<hr/>	<hr/>

**9. SHARE CAPITAL**

	<b>Authorised 31 December</b>		<b>Allotted Issued &amp; Fully Paid 31 December</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
Ordinary shares of £1 each	100	100	1	1

**10. RECONCILIATION OF MOVEMENTS ON EQUITY SHAREHOLDERS' FUNDS**

	<b>Share Capital £</b>	<b>Profit &amp; Loss Account £</b>	<b>Total Shareholders' Funds £</b>
Balance at 1 January 1998	1	228,837	228,838
Profit for the period	-	41,561	41,561
	<hr/>	<hr/>	<hr/>
Balance at 31 December 1998	1	270,398	270,399
	<hr/>	<hr/>	<hr/>

## **SOL CAR RENTALS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 1998**

#### **11. CONTINGENT LIABILITIES**

A cross guarantee and debenture exists between the company and all other members of the group. These are Drive Assist UK Plc, Millenium Motor Group Limited, Drive Assist Property Limited, Castle Car and Van Hire Limited and Tamworth Car Hire & Leasing Limited.

#### **12. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 and from the requirement to make disclosures concerning transactions with related parties within the group, since these transactions are included in the consolidated financial statements of Drive Assist UK Plc, which can be obtained from the head office at Tamworth House, Riverside Industrial Estate, Atherstone Street, Fazeley, Tamworth, Staffordshire.

#### **13. CONTROL**

The immediate and ultimate parent company is Drive Assist UK Plc, a company registered in England and Wales.