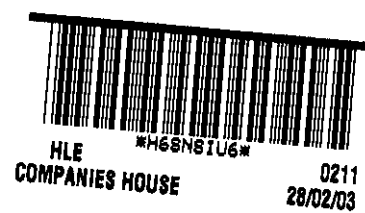


**DELTA SELF DRIVE LIMITED**

**Report and Financial Statements**

**30 April 2002**

Deloitte & Touche  
Leeds



**REPORT AND FINANCIAL STATEMENTS 2002**

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**REPORT AND FINANCIAL STATEMENTS 2002**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

S J Smith ACA  
P J Moorhouse FCCA  
B Dean

**SECRETARY**

D Henderson FCIS

**REGISTERED OFFICE**

Norflex House  
Allington Way  
Darlington  
Durham  
DL1 4DY

**BANKERS**

The Royal Bank of Scotland plc  
27 Blackwellgate  
Darlington  
County Durham  
DL1 5HX

**SOLICITORS**

Merritt & Co  
The Manor House  
83 High Street  
Yarm  
Cleveland  
TS15 1BG

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Leeds

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 April 2002.

**ACTIVITIES**

The company's principal activity is that of hirers of self-drive motor vehicles.

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors consider the performance of the company to be satisfactory and remain optimistic about its future prospects.

**DIVIDENDS AND TRANSFERS TO RESERVES**

The profit on ordinary activities after taxation for the year was £977,940 (2001: £615,815). A dividend of £587,000 (2001: £369,000) was proposed during the year leaving £390,940 (2001: £246,815) to be transferred to reserves.

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year are shown on page 1.

No director had any interest in the share capital of the company at 1 May 2001 or 30 April 2002. P J Moorhouse and S J Smith are also directors of the ultimate parent company, Northgate plc. Their interests in the shares of Northgate plc are disclosed in that company's financial statements.

The interests of the other director in the shares of Northgate plc were as follows. All interests were beneficial and related to ordinary shares of 5p each:

	30 April 2002	1 May 2001
<b>B Dean</b>		
New Share Option Scheme		
- Number of options	6,000	3,000
Long Term Incentive Scheme		
- Number of options	1,425	1,825
Executive Incentive Scheme		
- Number of options	15,000	15,000
Shares	731	834

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



D Henderson FCIS  
Secretary

24 FEBRUARY 2003

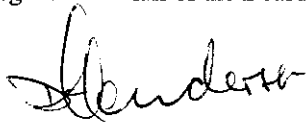
## STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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



D Henderson FCIS

Secretary

24 FEBRUARY 2003

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DELTA SELF  
DRIVE LIMITED**

We have audited the financial statements of Delta Self Drive Limited for the year ended 30 April 2002 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**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 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



*Deloitte & Touche*

Chartered Accountants and  
Registered Auditors

Leeds



2003

**PROFIT AND LOSS ACCOUNT**

Year ended 30 April 2002

	Note	2002		2001	
		£	£	£	£
<b>TURNOVER: continuing operations</b>	<b>2</b>		8,993,928		8,945,984
Staff Costs	3	778,062		743,827	
Depreciation		3,091,275		3,576,013	
Other operating charges		<u>3,263,886</u>		<u>3,208,677</u>	
			<u>(7,133,223)</u>		<u>(7,528,517)</u>
<b>OPERATING PROFIT: continuing operations</b>	<b>4</b>		1,860,705		1,417,467
Interest payable and similar charges	5		<u>(459,492)</u>		<u>(553,539)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,401,213		863,928
Tax on profit on ordinary activities	6		<u>(423,273)</u>		<u>(248,113)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>			977,940		615,815
Dividends	7		<u>(587,000)</u>		<u>(369,000)</u>
<b>RETAINED PROFIT TRANSFERRED TO RESERVES</b>	<b>15</b>		<u><u>390,940</u></u>		<u><u>246,815</u></u>

There are no recognised gains and losses for the current financial year and the preceding financial year other than as stated above. Therefore, no statement of total recognised gains and losses has been presented.

**BALANCE SHEET**

30 April 2002

	Note	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible Assets	8	11,509,317	10,878,283
<b>CURRENT ASSETS</b>			
Stock	9	137,620	131,238
Debtors	10	1,382,821	1,325,222
Cash at bank and in hand		900	900
		<u>1,521,341</u>	<u>1,457,360</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(8,296,121)	(6,935,746)
<b>NET CURRENT LIABILITIES</b>		<u>(6,774,780)</u>	<u>(5,478,386)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,734,537</u>	<u>5,399,897</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	(3,961,158)	(5,038,458)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	(122,000)	(101,000)
		<u>651,379</u>	<u>260,439</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1	1
Profit and loss account	15	651,378	260,438
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>651,379</u>	<u>260,439</u>

The financial statements were approved by the Board of Directors on 24 FEBRUARY 2003.

Signed on behalf of the Board of Directors


B Dean  
Director



**NOTES TO THE ACCOUNTS****Year ended 30 April 2002****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.

**Tangible fixed assets and depreciation**

No depreciation is provided on freehold land. On other assets it is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold property	17% straight line basis
Plant and equipment	20% straight line basis
Hire Motor vehicles	17% - 33% straight line basis
Fixtures and fittings	20% straight line basis
Computer equipment	33.3% straight line basis

**Stocks**

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

**Deferred taxation**

FRS 19 Deferred tax has been adopted in the year. This has not had a material impact upon the comparatives.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Leases**

As lessee: Assets obtained under 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.

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

As lessor: Motor vehicles and equipment leased to customers under operating leases are included within fixed assets. Income from such leases is taken to the profit and loss account evenly over the period of the operating lease agreements.

**Pension costs**

The company contributes to a defined contribution Group Personal Pension Scheme for all qualifying employees. The cost of this scheme is charged to the profit and loss account in the period in which it is incurred. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Cashflow**

The company is exempt from the requirement of FRS1 to include a cashflow statement as part of its accounts as it is a wholly owned subsidiary of a group preparing consolidated accounts, which include a consolidated cashflow statement.

**2 TURNOVER**

Turnover represents the amounts charged to customers for goods and services supplied excluding value added tax. All turnover originates from within the United Kingdom.

**NOTES TO THE ACCOUNTS**

Year ended 30 April 2002

**3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2002	2001
	£	£
Directors' emoluments (excluding pension contributions)	68,046	49,000
Pension contributions	2,400	2,055
	<u>70,446</u>	<u>51,055</u>

One of the directors received accrued benefits under the Group Personal Pension schemes (2001: one).

	2002	2001
	No	No
<b>Average number of persons employed</b>		
Production and maintenance	17	16
Sales and distribution	13	14
Administration	5	5
	<u>35</u>	<u>35</u>

**Costs incurred in respect of these employees (including directors) were:**

	£	£
Wages and salaries	696,975	666,894
Social security costs	67,695	62,434
Pension costs	13,392	14,499
	<u>778,062</u>	<u>743,827</u>

**4 OPERATING PROFIT**

	2002	2001
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation and amortisation		
Owned assets	794,681	2,181,487
Assets held under hire purchase contracts	2,296,594	1,394,526
Other rental income - vehicles for hire	(7,157,527)	(7,228,361)
Rentals under operating leases		
Hire of plant and machinery	74,646	50,208
Auditors' remuneration - audit fees	<u>2,500</u>	<u>3,000</u>

**NOTES TO THE ACCOUNTS**

Year ended 30 April 2002

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank loan, overdraft and other loans repayable within five years	66,340	408,988
Hire purchase contracts and finance leases	393,152	144,551
	<u>459,492</u>	<u>553,539</u>

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
UK Corporation tax on profits for the period	518,000	435,000
(Over)/under provision of corporation tax for prior years	(115,727)	3,113
Group relief adjustment for prior years	-	(101,000)
Total current taxation	<u>402,273</u>	<u>337,113</u>
Deferred taxation		
Origination and reversal of timing differences	(94,000)	(174,000)
Adjustment in respect of prior periods	115,000	85,000
	<u>423,273</u>	<u>248,113</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>1,401,213</u>	<u>863,928</u>
Tax on profit on ordinary activities at the standard rate	420,364	259,178
Expenses not deductible for tax purposes	1,302	1,759
Capital allowances for the period in excess of depreciation	94,000	174,000
Adjustment to tax charge in respect of previous periods	(115,727)	(97,887)
Other	2,334	63
	<u>402,273</u>	<u>337,113</u>

**7 DIVIDENDS**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Final proposed dividend of £587,000 per ordinary share (2001: £369,000)	<u>587,000</u>	<u>369,000</u>

**NOTES TO THE ACCOUNTS**

Year ended 30 April 2002

**8 TANGIBLE FIXED ASSETS**

	Leasehold Property £	Plant and equipment £	Hire motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 May 2001	7,923	49,993	16,726,620	44,280	16,828,816
Transfer from fellow subsidiary	-	-	23,437	-	23,437
Additions	2,790	3,728	7,101,046	5,413	7,112,977
Disposals	-	-	(9,091,041)	-	(9,091,041)
At 30 April 2002	10,713	53,721	14,760,062	49,693	14,874,190
<b>Accumulated depreciation</b>					
At 1 May 2001	1,729	46,614	5,863,984	38,206	5,950,533
Charge for the year	1,426	2,910	3,082,875	4,064	3,091,275
Disposals	-	-	(5,676,936)	-	(5,676,936)
At 30 April 2002	3,155	49,524	3,269,923	42,270	3,364,873
<b>Net book value</b>					
At 30 April 2002	7,558	4,197	11,490,139	7,423	11,509,317
At 30 April 2001	6,194	3,379	10,862,636	6,074	10,878,283

The net book value of the company's fixed assets held under hire purchase agreements is £10,261,181(2001:£5,102,914).

**NOTES TO THE ACCOUNTS**

Year ended 30 April 2002

**9 STOCKS**

2002	2001
£	£

Parts, fuel and oil and consumables	<u>137,620</u>	<u>131,238</u>
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In the opinion of the directors the replacement cost of stocks is not significantly different from the amounts shown.

**10 DEBTORS**

2002	2001
£	£

Trade debtors	991,193	887,498
Amounts owed by group undertakings	199,994	247,460
Other debtors	45,948	47,395
Prepayments and accrued income	145,686	142,869
	<u>1,382,821</u>	<u>1,325,222</u>

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

2002	2001
£	£

Bank overdraft (note 19)	50,037	856,709
Obligations under hire purchase contracts	5,733,996	2,223,658
Trade creditors	231,167	637,563
Amounts owed to parent company	444,734	1,943,718
Amounts owed to fellow subsidiary undertakings	424,153	98,099
Corporation tax	518,000	436,463
Taxation and social security	226,233	52,161
Accruals and deferred income	62,122	80,904
Other creditors	18,679	10,290
Group relief	-	227,181
Proposed dividend	587,000	369,000
	<u>8,296,121</u>	<u>6,935,746</u>

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

2002	2001
£	£

Obligations under hire purchase agreements due within one to two years	2,640,772	2,216,620
Obligations under hire purchase agreements due within two to five years	1,320,386	397,865
Bank Loan repayable within two to five years	-	2,423,973
	<u>3,961,158</u>	<u>5,038,458</u>

**NOTES TO THE ACCOUNTS**

Year ended 30 April 2002

**13 PROVISIONS FOR LIABILITIES AND CHARGES**

	2002 £	2001 £
<b>Deferred tax provided</b>		
Accelerated capital allowances	128,000	112,000
Other timing differences	(6,000)	(11,000)
	<u>122,000</u>	<u>101,000</u>
<b>Movement in deferred tax</b>		
Balance at 1 May 2001	101,000	
Credited in profit and loss account	(94,000)	
Adjustments to prior years	115,000	
	<u>122,000</u>	
Balance at 30 April 2002		

**14 CALLED UP SHARE CAPITAL**

	2002 £	2001 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

**15 RESERVES**

	£
<b>Profit and loss account</b>	
At 1 May 2001	260,438
Profit for the financial year	390,940
	<u>651,378</u>
At 30 April 2002	

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2002 £	2001 £
Profit for the financial year	977,940	615,815
Dividends	(587,000)	(369,000)
	<u>390,940</u>	<u>246,815</u>
Net reduction on shareholders' funds	260,439	13,624
Opening shareholders' funds		
	<u>651,379</u>	<u>260,439</u>
Closing shareholders' funds		

**NOTES TO THE ACCOUNTS**

Year ended 30 April 2002

**17 FINANCIAL COMMITMENTS****Operating lease commitments**

At 30 April 2002, the company was committed to making the following payments during the next year in respect of operating leases.

	<b>Land and Buildings £</b>	<b>Others £</b>
Leases which expire:		
Within one year	-	818
Within two to five years	73,250	-
	<u>73,250</u>	<u>818</u>

**18 PENSION SCHEME**

The company has contributed to a defined contribution Group Personal Pension Scheme. The total pension cost for the company was £13,392 (2001: £14,499)

**19 BANK LOAN AND OVERDRAFT**

The bank loan and overdraft (see note 11) are secured by fixed and floating charges over all the company's assets. There are unlimited cross-guarantees by group companies within the Northgate Vehicle Hire Limited group to each other. The total amount outstanding at 30 April 2002 was £57,181,000 (2001 : £70,484,000).

**20 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption contained in FRS 8 not to disclose details of related party transactions with other group companies as it is a wholly owned subsidiary.

**21 ULTIMATE PARENT COMPANY**

The ultimate parent company is Northgate plc and the immediate parent company is Northgate Vehicle Hire Limited. Both of these companies are registered in England and Wales. Copies of the financial statements of both companies can be obtained from Norflex House, Allington Way, Darlington, County Durham, DL1 4DY.