



**DELTA SELF DRIVE LIMITED**

**Report and Financial Statements**

**30 April 1999**



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

**REPORT AND FINANCIAL STATEMENTS 1999**

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**REPORT AND FINANCIAL STATEMENTS 1999**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

S J Smith ACA  
P J Moorhouse FCCA  
M C Cassidy (Resigned 30 November 1998)  
B Dean

**SECRETARY**

D Henderson FCIS

**REGISTERED OFFICE**

6th Floor  
Northgate House  
Darlington  
DL1 1XA

**BANKERS**

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

**SOLICITORS**

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

**AUDITORS**

Deloitte & Touche  
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 30 April 1999.

### **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 £128,520 (1998: loss of £70,877). The directors do not propose a dividend (1998: £Nil) for the year and the retained profit of £128,520 (1998: loss of £70,877 withdrawn from reserves) has been transferred to reserves.

### **DIRECTORS AND THEIR INTERESTS**

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

The directors had no interests, as defined by the Companies Act 1985, in the shares of the company at 30 April 1998 or 30 April 1999.

S J Smith and P J Moorhouse are also directors of the company's ultimate parent company, Northgate plc (formerly Goode Durrant plc). Their interests in the shares of Northgate plc (formerly Goode Durrant plc) are disclosed in that company's financial statements.

The other directors' interests in the shares of Northgate plc (formerly Goode Durrant plc), were as follows:

	<b>Share Option Scheme</b>		<b>Long term incentive plan</b>	
	<b>30 April 1999</b>	<b>30 April 1998</b>	<b>30 April 1999</b>	<b>30 April 1998</b>
	<b>Number of shares Beneficial</b>	<b>Number of shares Beneficial</b>	<b>Number of shares Beneficial</b>	<b>Number of shares Beneficial</b>
Option to subscribe for ordinary shares of 5p each				
M C Cassidy	-	3,000	-	8,000
B Dean	-	-	1,825	1,425

### **YEAR 2000**

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not anticipated to be significant.

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

D Henderson  
Secretary  
11 February 2000

**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

D Henderson

Secretary

11 February 2000



## AUDITORS' REPORT TO THE MEMBERS OF

### DELTA SELF DRIVE LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 3 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 30 April 1999 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

 28 February 2000


**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 April 1999**

	Note	1999 £	1998 £
<b>TURNOVER: continuing operations</b>	2	8,015,398	5,718,330
Staff costs	3	649,299	520,440
Depreciation		4,132,577	3,010,736
Other operating charges		2,374,711	1,659,580
		<u>(7,156,587)</u>	<u>5,190,756</u>
<b>OPERATING PROFIT: continuing operations</b>	4	858,811	527,574
Interest payable and similar charges	5	<u>(689,947)</u>	<u>(658,019)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		168,864	(130,445)
Tax on profit/(loss) on ordinary activities	6	<u>(40,344)</u>	<u>59,568</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR RETAINED AND TRANSFERRED TO/(WITHDRAWN FROM) RESERVES</b>	14	<u>128,520</u>	<u>(70,877)</u>

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


**BALANCE SHEET**
**30 April 1999**

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	7	14,558,936	10,240,244
<b>CURRENT ASSETS</b>			
Stocks	8	133,528	106,854
Debtors	9	2,263,485	1,989,870
Cash at bank and in hand		639,124	890
		3,036,137	2,097,614
<b>CREDITORS: amounts falling due within one year</b>	10	(15,406,121)	(9,095,578)
<b>NET CURRENT LIABILITIES</b>		(12,369,984)	(6,997,964)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,188,952	3,242,280
<b>CREDITORS: amounts falling due after more than one year</b>	11	(1,793,732)	(3,077,080)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	12	(438,000)	(336,500)
		(42,780)	(171,300)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1	1
Profit and loss account	14	(42,781)	(171,301)
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		(42,780)	(171,300)

These financial statements were approved by the Board of Directors on 11 February 2000.

Signed on behalf of the Board of Directors

S J Smith

Director



**NOTES TO THE ACCOUNTS****Year ended 30 April 1999****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.

**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:

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

The rate of depreciation on the bulk of light commercial vehicles was changed from 24% to 25% and on cars from 30% to 33% with effect from 1 May 1998. The new rate has had the effect on the current year's profit and loss account of increasing the depreciation charge by £157,988.

**Stocks**

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

**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.

**Leases**

As lessee: Acquisitions of fixed assets funded through finance leases and hire purchase agreements are capitalised and depreciated in accordance with group policies or the lease term, whichever is the shorter. Future obligations under these leases and agreements are included in creditors. Interest costs payable are charged to the profit and loss account over the life of the lease so as to produce a constant rate of return on the outstanding balance. All other leases operating lease and the payments made are charged to the profit and loss account evenly over the period of the lease. 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 group operated a defined contribution pension scheme and a Group Personal Pension Scheme for all qualifying employees. The cost of these is charged to the profit and loss account in the period in which it is incurred.

**2. TURNOVER**

All turnover represents amounts invoiced (excluding VAT) to United Kingdom customers in respect of the main activity of the company.


**NOTES TO THE ACCOUNTS**
**Year ended 30 April 1999**
**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	1999 £	1998 £
Director's emoluments (excluding pension contributions)	46,260	43,761

One of the directors received accrued benefits under the defined contribution and Group Personal Pension schemes. Total company contributions for the period were £1,967 (1998: £1,758).

	1999 No	1998 No
<b>Average number of persons employed</b>		
Production and maintenance	12	9
Administration	4	9
Sales and distribution	12	6
	<u>28</u>	<u>24</u>
	£	£
<b>Costs incurred in respect of these employees (including directors) were:</b>		
Wages and salaries	575,278	468,616
Social security costs	57,710	43,798
Other pension costs	16,311	8,026
	<u>649,299</u>	<u>520,440</u>

**4. OPERATING PROFIT**

	1999 £	1998 £
<b>Operating profit is after charging/(crediting):</b>		
Depreciation and amortisation		
Owned assets	18,667	449,113
Assets held under hire purchase contracts	4,113,910	2,561,623
Other rental income - vehicles for hire	(7,272,005)	(5,354,787)
Rentals under operating leases - Other operating leases	46,393	-
Auditors' remuneration - audit fees	3,352	3,000

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	1999 £	1998 £
Bank loans, overdrafts and other loans repayable within five years	104,788	128,967
Hire purchase contracts	585,159	529,052
	<u>689,947</u>	<u>658,019</u>


**NOTES TO THE ACCOUNTS**
**Year ended 30 April 1999**
**6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	1999 £	1998 £
United Kingdom corporation tax at 31% based on the profit/(loss) for the financial year	-	-
Group relief	(20,469)	(51,500)
Deferred taxation	73,500	12,500
	<u>53,031</u>	<u>(39,000)</u>
Adjustment to prior years' tax provisions		
Group relief	(40,687)	(12,568)
Deferred tax	28,000	(8,000)
	<u>40,344</u>	<u>(59,568)</u>

**7. TANGIBLE FIXED ASSETS**

	Plant and equipment £	Motor vehicles for hire £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 May 1998	49,164	14,033,594	35,786	14,118,544
Additions	829	12,198,056	2,055	12,200,940
Disposals	-	(7,006,162)	-	(7,006,162)
At 30 April 1999	<u>49,993</u>	<u>19,225,488</u>	<u>37,841</u>	<u>19,313,322</u>
<b>Accumulated depreciation</b>				
At 1 May 1998	16,355	3,842,934	19,011	3,878,300
Charge for the year	9,980	4,113,910	8,687	4,132,577
Disposals	-	(3,256,491)	-	(3,256,491)
At 30 April 1999	<u>26,335</u>	<u>4,700,353</u>	<u>27,698</u>	<u>4,754,386</u>
<b>Net book value</b>				
At 30 April 1999	<u>23,658</u>	<u>14,525,135</u>	<u>10,143</u>	<u>14,558,936</u>
At 30 April 1998	<u>32,809</u>	<u>10,190,660</u>	<u>16,775</u>	<u>10,240,244</u>

The net book value of the company's fixed assets includes the following assets held under hire purchase agreements at 30 April 1999:

	Hire Motor vehicles £
Cost	19,293,114
Accumulated depreciation	<u>(4,740,165)</u>
Net book value	<u>14,552,949</u>
Depreciation charge for the period	<u>4,113,910</u>


**NOTES TO THE ACCOUNTS**
**Year ended 30 April 1999**
**8. STOCKS**

	1999 £	1998 £
Parts, fuel and oil and consumables	133,528	106,854

In the opinion of the directors, the replacement cost of stocks is not significantly different from the amounts shown.

**9. DEBTORS**

	1999 £	1998 £
Trade debtors	1,241,661	750,183
Amounts owed by group undertakings	610,131	976,322
Group relief	61,156	64,068
Prepayments and accrued income	350,537	199,297
	<u>2,263,485</u>	<u>1,989,870</u>

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

	1999 £	1998 £
Bank loans and overdraft	5,281,905	2,226,505
Obligations under hire purchase agreements	3,814,781	4,206,864
Trade creditors	190,052	159,149
Amounts owed to parent company	5,752,861	2,200,000
Amounts owed to group undertakings	230,308	93,583
Taxation and social security	16,172	-
Other creditors	31,290	70,111
Accruals and deferred income	88,752	139,366
	<u>15,406,121</u>	<u>9,095,578</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1999 £	1998 £
Obligations under hire purchase agreements repayable		
Within one to two years	1,793,732	2,691,728
Within two to five years	-	385,352
	<u>1,793,732</u>	<u>3,077,080</u>

Hire purchase obligations are secured by a fixed charge over the vehicles to which they relate.


**NOTES TO THE ACCOUNTS**
**Year ended 30 April 1999**
**12. PROVISIONS FOR LIABILITIES AND CHARGES**

	£
<b>Deferred taxation</b>	
Balance at 30 April 1998	336,500
Provision - current year	101,500
	<hr/>
Balance at 30 April 1999	438,000
	<hr/>

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

	<b>Provided</b>		<b>Not provided</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital allowances in advance of depreciation	451,000	344,500	-	-
Other timing differences	(13,000)	(8,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	438,000	336,500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**13. CALLED UP SHARE CAPITAL**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 ordinary shares of £1	100	100
	<hr/>	<hr/>
<b>Called up, allotted and fully paid</b>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

**14. RESERVES**

	£
<b>Profit and loss account</b>	
At 30 April 1998	(171,301)
Retained profit for the year	128,520
	<hr/>
At 30 April 1999	(42,781)
	<hr/>

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the financial year	128,520	(70,877)
	<hr/>	<hr/>
Net addition to/(reduction in) shareholders' funds	128,520	(70,877)
Opening shareholders' funds	(171,300)	(100,423)
	<hr/>	<hr/>
Closing shareholders' funds	(42,780)	(171,300)
	<hr/>	<hr/>



**NOTES TO THE ACCOUNTS**

**Year ended 30 April 1999**

**16. BANK LOAN AND OVERDRAFT**

The bank loan and overdraft are secured by fixed and floating charges over all the company's assets.

There are unlimited cross-guarantees by group companies within the Northgate Motor Holdings Limited group to each other. The total amount outstanding at 30 April 1999 was £95,623,000 (1998: £76,964,000).

**17. FINANCIAL COMMITMENTS**

**Operating lease commitments**

At 30 April 1999, the company was committed to making the following payments during the next year in respect of operating leases:

	<b>Motor Vehicles £</b>	<b>Land and Buildings £</b>
Leases which expire:		
Between one and two years	12,990	-
After more than five years	-	45,000
	<u>          </u>	<u>          </u>

**18. PENSION SCHEME**

The company has contributed to a Group Personal Pension Scheme. The total pension cost for the company was £16,311 (1998: £8,026). Outstanding contributions at the balance sheet date were £Nil (1998: £Nil).

**19. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption contained in FRS8 not to disclose transactions with group companies as it is a wholly owned subsidiary.

**20. ULTIMATE PARENT COMPANY**

The ultimate parent company is Northgate plc (formerly Goode Durrant plc) and the immediate parent company is Northgate Motor Holdings Limited. Both of these companies are registered in England. Copies of the financial statements of both companies can be obtained from 6th Floor, Northgate House, Darlington, County Durham, DL1 1XA.