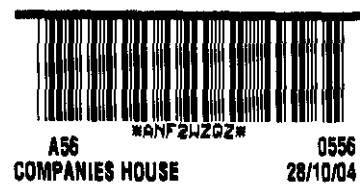


**Registered Number: 00985677**

**ACR Limited**

**Annual report and audited financial statements  
For the period ended 31 March 2004**



**Annual Report  
For the period ended 31 March 2004**

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**Directors Report  
For the period ended 31 March 2004**

The directors present their annual report on the affairs of the company together with the financial statements and auditors' report, of the company for the 15 month period ended 31 March 2004.

**Principal activities**

The principal activities of the company are the provision of full service contract hire on motor vehicles and sale of motor vehicles in the UK.

**Review of business and future developments**

On 28 February 2003 Societe Generale acquired Hertz Lease Europe. Consequently ACR Limited And Axus UK Limited are now wholly owned subsidiaries of ALD Automotive Group Plc.

The assets and liabilities of ACR Limited and Axus UK Limited were transferred into ALD Automotive Limited as at 1 April 2004, at net book value, at which point ACR Limited and Axus UK Limited ceased trading.

**Results and dividends**

The company profit and loss account is set out on page 6. The directors do not recommend payment of final dividend (2002: £nil).

**Directors and their interests**

The directors who held office during the year are as follows:

M J Masterson (appointed 28 Feb. 2003)  
K Allen (appointed 28 Feb. 2003)  
N N Fletcher (appointed 28 Feb. 2003)  
P Serres (appointed 28 Feb. 2003)  
J-C Renaud (appointed 28 Feb. 2003)  
D Lefevre (appointed 28 Feb. 2003)  
C L Shafer (resigned 28 Feb. 2003)  
S J Barrett (resigned 28 Feb. 2003)

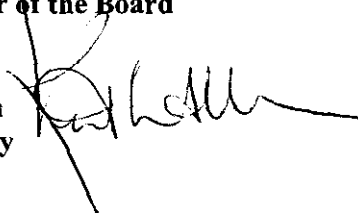
No director held any beneficial interest in the share capital of the company or its parent company at 1 January 2003 or 31 March 2004

**Auditors**

PwC resigned as auditors during the period and Ernst & Young LLP were appointed as auditors. A resolution to reappoint Ernst & Young LLP will be proposed at the next Annual General Meeting.

**By order of the Board**

K. Allen  
Secretary



11 October 2004

### **Statement of Directors' Responsibilities in Respect of the Financial Statements**

Company law requires the directors to prepare financial statements for each financial year that 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:

- 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 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.

**Independent Auditors' Report to the Members of ACR Limited**

We have audited the financial statements for the 15 month period ended 31 March 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

The 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 was 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 annual report and 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 legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

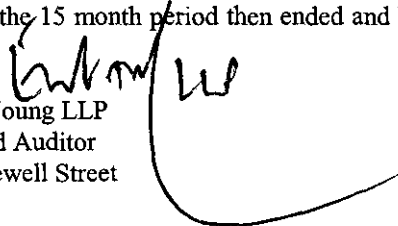
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 affairs of the company and of its profit for the 15 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP  
Registered Auditor  
One Bridewell Street  
Bristol



12 October 2004

**ACR Limited****Profit and Loss Account****For the 15 month period ended 31 March 2004**

	<i>Notes</i>	<i>31 March 2004 £</i>	<i>31 Dec. 2002 £</i>
<b>Turnover</b>		17,681,597	26,000,173
Cost of sales		(12,872,424)	(20,401,218)
<b>Gross profit</b>		4,809,173	5,598,955
Net operating expenses	1	(1,316,191)	(911,053)
<b>Operating profit</b>		3,492,982	4,687,902
Interest receivable		14,590	51,579
Interest payable	2	(1,472,180)	(2,228,613)
<b>Profit on ordinary activities before taxation</b>	3	2,035,392	2,510,868
Tax on profit on ordinary activities	4	(601,971)	456,978
<b>Profit on ordinary activities after taxation</b>	14	1,433,421	2,967,846

**Statement of Total Recognised Gains and Losses**

There are no recognised gains or losses other than the profit attributable to shareholders of £1,433,421 in the 15 month period ended 31 March 2004 and the profit of £2,967,846 in the year ended 31 December 2002.

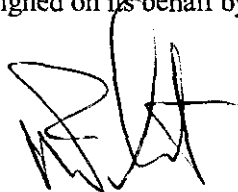
**ACR Limited****Balance sheet  
At 31 March 2004**

	<i>Notes</i>	<i>31 March 2004 £</i>	<i>31 Dec. 2002 £</i>
<b>Fixed assets</b>			
Tangible assets	6	21,251,104	43,170,289
<b>Current assets</b>			
Stock	8	1,675,000	74,786
Debtors	9	583,575	21,112,025
Cash at bank and in hand		268,177	149,354
		2,526,752	21,336,165
<b>Creditors: amounts falling due within one year</b>	10	(21,796,267)	(57,058,286)
<b>Net current liabilities</b>		(19,269,515)	(35,722,121)
<b>Total assets less current liabilities</b>		1,981,589	7,448,168
<b>Creditors: amounts falling due after one year</b>	11	-	(6,900,000)
<b>Net assets</b>		1,981,589	548,168
<b>Capital and reserves</b>			
Called-up share capital	13	1,109,160	1,109,160
Profit and loss account	14	872,429	(560,992)
<b>Total equity shareholders' funds</b>	15	1,981,589	548,168

The accompanying accounting policies and notes on pages 8 to 15 form an integral part of these financial statements.

The financial statements on pages 6 to 15 were approved by the board of directors on 12th October 2004 and were signed on its behalf by:

Director



**Statement of accounting policies**  
**For the 15 month period ended 31 March 2004**

A summary of the principal accounting policies, are set out below.

***Basis of accounting***

The accounts are prepared under the historical cost convention, and are in accordance with applicable accounting standards and the leasing SORP.

***Cash flow statement and related parties***

The company is a wholly owned subsidiary of Societe Generale Group and is included in their consolidated financial statements, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under FRS 8 from disclosing related party transactions with entities that are part of the Societe Generale Group.

***Tangible fixed assets***

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided on all fixed assets, at rates calculated to write off the cost of each asset less estimated residual value, on a straight line basis over its estimated useful life, as follows:

Motor vehicles	- over the life of the individual hire contract
----------------	---

***Stock***

Stocks represent vehicles held for resale, which are stated at the lower of cost less accumulated depreciation and net realisable value.

***Deferred Taxation***

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, in the future.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.



**Statement of accounting policies**

**For the 15 month period ended 31 March 2004**

***Turnover***

Turnover and profit before taxation are derived from the company's principal activity which is the leasing and sale of motor vehicles and which is conducted wholly in the UK.

Turnover represents leasing income earned and the invoiced value of goods and services supplied, in the normal course of business, net of trade discounts, VAT and other sales related taxes.

***Leasing activities and related risks***

The principal activities of the group are the provision of full service contract hire on motor vehicles, the sale of motor vehicles in the UK and performing administrative tasks for the European offices. The main risks related to the provision of full service contract hire are those relating to the maintenance costs of the motor vehicles and over the recovery of the expected residual values established at contract commencement.

Income is recognised as follows:

- On operating leases, income is recognised on a straight-line basis over the lease term, based on the total of contractual payments divided by the months of the lease term.
- On other operating revenue, on an accruals basis as earned.

For contract modifications (duration, mileage and accessories) and informal extensions (where a customer retains the car for a period beyond the normal return date), any revisions to the remaining lease payments are allocated evenly over the remaining lease period.

Residual values are set at the start of the lease term, based on prevailing prices at that date. The overall objective when establishing residual values is to match, as accurately as possible, the depreciated net book value of vehicles with the projected market value at the end of the lease. An exposure on residual values arises when market conditions change since the initial determination of the residual value at contract commencement, resulting in lower than expected selling prices of vehicles at contract termination.

Based on the results of independent fleet revaluations, any losses anticipated at termination are accrued by charging additional depreciation over the remaining contract term with the objective that there is no material profit or loss arising when vehicles are sold at contract termination.

Note 7 analyses the total residual values of vehicles, and their net book values, as at 31 March 2004 into the periods when the vehicles are expected to return for subsequent resale, following the expiry of the related lease contracts.

***Maintenance of contract hire vehicles***

In order to ensure that income and costs are appropriately matched, the Company recognises the income associated with the maintenance element of each contract so as to be consistent with the expected timing of maintenance expenditure.

**ACR Limited****Notes to the financial statements  
For the period ended 31 March 2004****1 Net operating expenses**

	<i>31 March 2004 £</i>	<i>31 Dec 2002 £</i>
Administrative expenses	191,191	11,053
Management charge	1,125,000	900,000
	<u>1,316,191</u>	<u>911,053</u>

**2 Interest payable**

	<i>31 March 2004 £</i>	<i>31 Dec. 2002 £</i>
Interest payable on intercompany loans	1,472,180	2,228,613

**3 Profit on ordinary activities before taxation**

	<i>31 March 2004 £</i>	<i>31 Dec. 2002 £</i>
Profit on ordinary activities before taxation is stated after charging:		
Depreciation on owned tangible fixed assets	9,372,692	12,251,553
Loss/(profit) on disposal of fixed assets	1,748,195	(929,054)

Auditor's remuneration was borne by the parent company, a proportion of which is included in the management charge.

**4 Taxation**

<b>a) Tax on profit on ordinary activities</b>	<i>31 March 2004 £</i>	<i>31 Dec. 2002 £</i>
The tax charge is made up as follows:		
<i>Current tax</i>		
UK corporation tax on profits for the period	519,503	-
Adjustments in respect of prior years	-	(109,440)
<i>Deferred tax</i>		
Origination/reversal of timing differences	82,468	(347,538)
<b>Tax on profit on ordinary activities</b>	<u>601,971</u>	<u>(456,978)</u>

**ACR Limited****Notes to the financial statements  
For the period ended 31 March 2004****4 Taxation (continued)**

	<b>31 March 2004 £</b>	<b>31 Dec. 2002 £</b>
<b>b) Factors affecting the current tax charge</b>		
Profit on ordinary activities before tax	2,035,392	2,510,868
Profit on ordinary activities multiplied by standard rate of corporation tax of 30%	610,617	753,260
Expenses not deductible for tax purposes	-	-
(Accelerated)/Decelerated capital allowances	(91,114)	220,323
Other timing differences	-	(973,583)
Adjustments in respect of previous periods	-	(109,440)
Total current tax	519,503	(109,440)

**5 Directors' remuneration and staff costs**

The company did not employ any directors or employees at 31 March 2004 (2002: nil).

Past employees transferred their pension scheme membership to a scheme run by Axus UK Limited.  
The scheme operated by Axus UK Limited is a defined contribution pension scheme.

**6 Tangible fixed assets**

	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2003	66,908,224	66,908,224
Additions	7,342,355	7,342,355
Disposals	(38,640,121)	(38,640,121)
At 31 March 2004	35,610,458	35,610,458
<b>Accumulated depreciation</b>		
At 1 January 2003	23,737,935	23,737,935
Charge for the period/year	9,372,692	9,372,692
Disposals	(18,751,273)	(18,751,273)
At 31 March 2004	14,359,354	14,359,354
<b>Net book value</b>		
At 31 March 2004	21,251,104	21,251,104
At 31 December 2002	43,170,289	43,170,289

Notes to the financial statements  
For the period ended 31 March 2004

**7 Residual values**

The residual values of the vehicles included in fixed assets at 31 March 2004 were as follows:

<i>Year in which residual value will be recovered:</i>	<b>31 March 2004</b>	<b>31 Dec. 2002</b>
	£	£
Within 1 year	7,838,000	15,218,000
Between 1 and 2 year	4,747,000	8,531,000
Between 2 and 5 years	2,097,000	5,570,000
Total exposure	14,682,000	29,319,000

The residual value is the amount estimated at the end of the current lease term. All motor vehicles are leased to customers under operating leases.

**8 Stock**

	<b>31 March 2004</b>	<b>31 Dec. 2002</b>
	£	£
Vehicles held for resale	1,675,000	74,786

**9 Debtors**

	<b>31 March 2004</b>	<b>31 Dec. 2002</b>
	£	£
Trade debtors	318,505	468,269
Amounts owed by group undertakings	-	20,296,218
Deferred Tax	265,070	347,538
	583,575	21,112,025

Notes to the financial statements  
For the period ended 31 March 2004

10 Creditors : amounts falling due within one year

	<i>31 March 2004</i>	<i>31 Dec. 2002</i>
	<i>£</i>	<i>£</i>
Trade creditors	1,633,305	2,565,024
Amounts owed to group undertakings	19,091,439	53,850,000
Corporation Tax	519,504	-
Other Creditors	552,019	643,262
	<u>21,796,267</u>	<u>57,058,286</u>

Amounts owed to group undertakings are unsecured and do not have a fixed repayment date.

11 Creditors: amounts falling due after one year

	<i>31 March 2004</i>	<i>31 Dec. 2002</i>
	<i>£</i>	<i>£</i>
Amounts owed to group undertakings	-	6,900,000

# ACR Limited

## Notes to the financial statements For the period ended 31 March 2004

### 12 Deferred tax

	31 March 2004 £	31 Dec. 2002 £
<i>a) Analysis of deferred tax balances</i>		
Capital allowances	265,070	(118,890)
Tax losses - trading	-	466,428
<b>Total deferred tax asset</b>	<b>265,070</b>	<b>347,538</b>
	31 March 2004 £	31 Dec. 2002 £
<i>b) Analysis of movement in deferred tax asset</i>		
At 1 January 2003	347,538	-
Deferred tax in profit and loss account	(82,468)	347,538
<b>At 31 March 2004</b>	<b>265,070</b>	<b>347,538</b>

### *c) Deferred Tax not provided*

There are no unprovided deferred tax assets or liabilities.

### 13 Called-up share capital

	31 March 2004 £	31 Dec. 2002 £
<i>Authorised:</i>		
1,500,000 ordinary shares of £1 each	1,500,000	1,500,000
<i>Allotted, called-up and fully paid:</i>		
1,109,160 ordinary shares of £1 each	1,109,160	1,109,160

### 14 Reserves

	31 March 2004 £	31 Dec. 2002 £
<i>Profit &amp; loss account</i>		
At 1 January	(560,992)	(3,528,838)
Profit for the period/year	1,433,421	2,967,846
<b>At end of period</b>	<b>872,429</b>	<b>(560,992)</b>

**Notes to the financial statements  
For the period ended 31 March 2004****15 Reconciliation of movements in shareholders' funds**

	<i>31 March 2004 £</i>	<i>31 Dec. 2002 £</i>
Opening shareholders' funds as at 1 January 2003	548,168	(2,419,678)
Retained profit for the period	1,433,421	2,967,846
Closing shareholders' funds at end of period	1,981,589	548,168

**16 Ultimate controlling party**

The directors regard Societe Generale a company incorporated in France, to be the ultimate parent company and ultimate controlling party.

Societe Generale is the parent company of the largest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from Societe Generale, 17 Cours Valmy, 92987, Paris La Defence, France

Axus UK Limited (trading as ALD Automotive) is the parent company of the smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from 900 Pavilion Drive, Northampton Business Park, Northampton, NN4 7HA.