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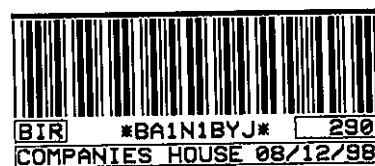
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REPUBLIC INDUSTRIES (HOLDINGS) PLC

formerly EuroDollar (Holdings) Plc

Directors' report and financial statements

31 December 1997



REPUBLIC INDUSTRIES (HOLDINGS) PLC
formerly EuroDollar (Holdings) Plc

Directors	G E H Corbett J S Leigh I Wardle
Secretary	J M Colton
Registered Office	James House 55 Welford Road Leicester LE2 7AR
Registered Number	2779999
Auditors	Arthur Andersen 1 Victoria Square Birmingham B1 1BD

REPUBLIC INDUSTRIES (HOLDINGS) PLC

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formerly EuroDollar (Holdings) Plc**DIRECTORS' REPORT**

The Directors present their report and the audited financial statements for the period ended 31 December 1997.

Principal activity

Following the acquisition of the Company by Republic Industries (UK) Plc on 2 October 1997, the Company's ultimate parent undertaking became Republic Industries Inc.

The principal activity of the Company continues to be that of a holding company, providing management services for its subsidiaries whose principal operations are in short term vehicle rental.

Change of name

The Company changed its name to Republic Industries (Holdings) Plc with effect from 30 January 1998.

Business review

The Company has continued to provide management services to its subsidiaries throughout the period and has received dividend income from certain of those subsidiaries. This trading activity will be continued for the foreseeable future and the Directors will consider other opportunities as they present themselves.

Results and dividends

The results of the period are as shown on page 4. The Directors approved the payment of an interim dividend of £1,226,053 to the former shareholders and a further interim dividend of £7,675,000 to Republic Industries (UK) Plc. The Directors do not recommend payment of a final dividend.

Directors

The Directors who have served during the period are as follows:

Executive Directors

G E H Corbett	(appointed with effect from 6 November 1997)
J S Leigh	
I C Mosley	(resigned with effect from 6 November 1997)
S C Westoby	(resigned with effect from 15 June 1998)

Non-executive Directors

F H Aldous	(resigned with effect from 31 October 1997)
P R M Batchelor	(resigned with effect from 28 February 1998)
W H Fryer	(resigned with effect from 30 January 1998)
J E V Rose	(resigned with effect from 28 January 1998)

I Wardle was appointed as a Director with effect from 15 June 1998.

Directors' interests

No Director held any beneficial interest in shares of Republic Industries (Holdings) plc (formerly EuroDollar (Holdings) plc) or any of its subsidiaries at 31 December 1997. Directors' interests at 31 March 1997 are listed below:

	<u>Ordinary shares of 5p</u>
F H Aldous	1,615,225
P R M Batchelor	9,100
W H Fryer	4,800
J S Leigh	1,400,000
I C Mosley	2,089,575
J E V Rose	1,500
S C Westoby	1,625,225

DIRECTORS' REPORT (continued)

Directors' interests (continued)

	<u>Share options</u> <u>As at 31 March 1997</u>	<u>Exercised</u>	<u>Lapsed</u>	<u>Share options</u> <u>As at 31 December 1997</u>
J S Leigh	21,835	6,148	15,687	-
S C Westoby	8,734	2,459	6,275	-

Directors' responsibility statement

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss 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 the going concern basis unless it is inappropriate to presume that the Company will continue in business.

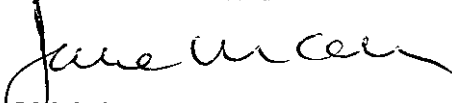
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They also have responsibility for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

Auditors

Price Waterhouse resigned as auditors of the Company with effect from 25 February 1998.

A resolution to appoint Arthur Andersen as auditors of the Company was approved at a Meeting of the Board of Directors on 3 March 1998.

By order of the Board


J M Colton
Secretary

7 December 1998

**AUDITOR'S REPORT TO THE SHAREHOLDERS OF REPUBLIC INDUSTRIES
(HOLDINGS) PLC**

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

As described on page 2 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 31 December 1997 and the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen

Chartered Accountants
and Registered Auditors

1 Victoria Square
Birmingham
B1 1BD

7 December 1998

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 1997

		9 Months to 31 December 1997	Year to 31 March 1997
	Note	£'000	£'000
Management income		20	25
Administrative expenses		(2,070)	(276)
		<hr/>	<hr/>
Operating loss		(2,050)	(251)
Income from shares in Group undertakings		16,561	4,000
		<hr/>	<hr/>
Profit on ordinary activities	2	14,511	3,749
Interest receivable	5	12	48
Interest payable	6	(40)	(25)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		14,483	3,772
Tax on profit on ordinary activities	7	-	(973)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		14,483	2,799
Dividends on equity shares		(8,901)	(3,188)
		<hr/>	<hr/>
Profit/(loss) for the period transferred to/(from) reserves	15	5,582	(389)
		=====	=====

All of the above activities derive from continuing operations.

There were no recognised gains or losses other than those shown in the profit and loss account above.

The notes on pages 6 to 13 form part of these financial statements.

REPUBLIC INDUSTRIES (HOLDINGS) PLC
formerly EuroDollar (Holdings) Plc

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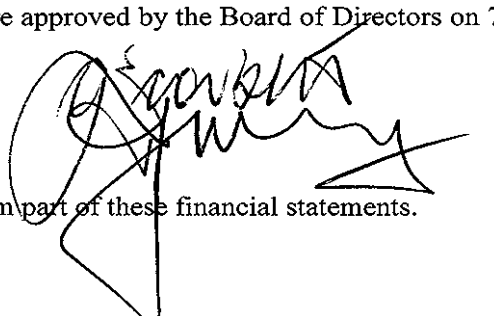
BALANCE SHEET AT 31 DECEMBER 1997

	Note	31 December 1997		31 March 1997	
		£'000	£'000	£'000	£'000
Fixed Assets					
Investments	8		36,842		36,842
			<u>36,842</u>		<u>36,842</u>
Current assets					
Debtors	9	17,170		3,500	
Cash at bank	10	-		1,052	
Creditors: amounts falling due within one year	11	<u>(10,915)</u>		<u>(4,051)</u>	
Net current assets			6,255		501
Net assets			<u>43,097</u>		<u>37,343</u>
			=====		=====
Capital and reserves					
Called up share capital	13		2,462		2,452
Share premium account	14		33,686		33,524
Profit and loss account	15		6,949		1,367
Shareholders' funds	16		<u>43,097</u>		<u>37,343</u>
			=====		=====
Equity			43,097		37,343
Non-equity			-		-
			<u>43,097</u>		<u>37,343</u>
			=====		=====

These financial statements were approved by the Board of Directors on 7 December 1998 and signed on its behalf by:

G E H Corbett) Directors
I Wardle)

The notes on pages 6 to 13 form part of these financial statements.



NOTES

1. Accounting policies

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Investments

Fixed asset investments in subsidiary undertakings are shown at cost.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Where possible, the Company will take advantage of group relief provisions to offset taxable profits against taxable losses arising in other Group undertakings in the period.

Deferred taxation is calculated using the liability method and is provided to the extent that it is probable that an asset or liability will crystallise in the foreseeable future.

Pensions

Based on independent actuarial advice, pension costs are charged to the profit and loss account on a basis whereby the regular cost is a substantially level percentage of the current and expected future pensionable payroll. Variations from the regular cost are allocated over the average expected remaining service lives of current pensionable employees.

Cash flow statement

The Company has elected to utilise the exemption provided by FRS 1 (Revised) and has not prepared a cash flow statement.

Exemption from preparing Group accounts

Consolidated financial statements have not been prepared as the Company has taken advantage of the exemption provided in section 228 of the Companies Act 1985, whereby the Company is a wholly owned subsidiary of a parent incorporated within the European Community.

Related party transactions

The Company has taken advantage of the exemption allowed by FRS8 not to disclose related party transactions with companies, 90% or more of whose voting rights are controlled within the Alamo Rent A Car (UK) Limited group.

NOTES (continued)

2. Profit on ordinary activities before taxation

	9 Months to 31 December <u>1997</u>	Year to 31 March <u>1997</u>
	£'000	£'000
This is stated after crediting:		
Management fee from subsidiary undertakings	620	865
And after charging:		
Auditors remuneration - audit fees	11	15

3. Remuneration of Directors

	9 Months to 31 December <u>1997</u>	Year to 31 March <u>1997</u>
	£'000	£'000
Emoluments	95	82
Compensation for loss of office	528	-

The emoluments of the Directors are borne by associated undertakings within the Group and no specific charges are received by the Company in respect of their services to the Company. The amount of the Directors emoluments shown above are deemed to be in respect of their services to the Company.

4. Employee numbers and costs

	Number of employees 9 Months to 31 December <u>1997</u>	Year to 31 March <u>1997</u>
Average number of employees including Directors all employed in the United Kingdom	7 =====	7 =====

The aggregate payroll costs of these employees were:

	9 Months to 31 December <u>1997</u>	Year to 31 March <u>1997</u>
	£'000	£'000
Wages and salaries	382	470
Social security costs	36	7
Other pension costs	41	7
	<hr/>	<hr/>
	459	484
	=====	=====

NOTES (continued)

5. Interest receivable

	9 Months to 31 December <u>1997</u>	Year to 31 March <u>1997</u>
	£'000	£'000
Bank interest receivable	-	36
Receivable from Group undertakings	12	12
	<hr/>	<hr/>
	12	48
	=====	=====

6. Interest payable

	9 Months to 31 December <u>1997</u>	Year to 31 March <u>1997</u>
	£'000	£'000
Payable to Group undertakings	40	25
	=====	=====

7. Taxation

	9 Months to 31 December <u>1997</u>	Year to 31 March <u>1997</u>
	£'000	£'000
UK corporation tax at 31% (March 1997: 33%) payable for current period	-	973
	<hr/>	<hr/>
	-	973
	=====	=====

The tax charge for the period has been reduced to nil by offsetting losses available elsewhere within the Group.

NOTES (continued)

8. Investments

Subsidiary
undertakings

£'000

At 1 April 1997 and 31 December 1997

36,842

=====

In the opinion of the Directors, the value of these investments is not less than the value recorded in the financial statements.

Investments in subsidiary undertakings comprise:

	Principal activity	Holding	%
*Republic Industries (Properties) Limited	Holding company	100 £1 ordinary shares	100%
*Republic Industries Automotive Rental Group (Insurances) Limited	Insurer of other Group Companies	250,000 £1 ordinary shares	100%
*Diplema 272 Limited	Dormant	2 £1 ordinary shares	100%
*Diplema 274 Limited	Dormant	2 £1 ordinary shares	100%
*Republic Industries Pension Scheme Trustees Limited	Dormant	2 £1 ordinary shares	100%
*Diplema Spain SA	Dormant	2 £1 ordinary shares	100%
*Republic Industries Automotive Rental Group (Holland) BV	Vehicle rental	2,600 NLG 1,000 ordinary shares 2 NLG 10 ordinary shares	100%
National Car Rental Limited	Vehicle Rental	1,000 £1 ordinary shares	100%
Provincial Assessors Limited	Accident damage assessment & reporting	100 £1 ordinary shares	100%
Republic Industries Automotive Rental Group (Licensing) Limited	Franchising of vehicle rental systems	8,000 £1 ordinary shares	100%
Provincial Securities Limited	Dormant	4 £1 ordinary shares	100%

* denotes direct subsidiaries.

NOTES (continued)

9. Debtors

	31 December 1997	31 March 1997
	£'000	£'000
Amounts owed by fellow subsidiary undertakings	14,910	1,962
Prepayments and accrued income	7	5
Other debtors	2,253	1,533
	<hr/>	<hr/>
	17,170	3,500
	=====	=====

10. Cash at bank

	31 December 1997	31 March 1997
	£'000	£'000
Cash at bank	-	1,052
	=====	=====

11. Creditors: amounts falling due within one year

	31 December 1997	31 March 1997
	£'000	£'000
Bank overdraft	2,174	-
Amounts owed to subsidiary undertakings	7,682	716
Dividends proposed	-	2,207
Corporation tax	800	975
Accruals and deferred income	259	153
	<hr/>	<hr/>
	10,915	4,051
	=====	=====

The bank overdraft is secured by a floating charge over the assets of the Company.

12. Deferred taxation

There is no deferred taxation at 31 December 1997 (31 March 1997 £nil).
The amount of unprovided deferred tax at 31 December 1997 was £nil (31 March 1997 £nil).

NOTES (continued)

13. Called up share capital

	31 December 1997 £000	31 March 1997 £000
Authorised, allotted, called up and fully paid: 49,042,110 ordinary shares of 5p each	2,452	2,452
Additional share options taken up within the period 196,048 ordinary shares of 5p each	10	-
	<hr/>	<hr/>
	2,462	2,452
	=====	=====

Options on Ordinary shares were previously granted under the terms of the Sharesave Scheme. The movements in the number of options in the period are as follows:

Date granted	Options at 31 March 1997	Issued	Exercised	Lapsed	Exercise price per share
30 December 1994	50,957	-	15,921	(35,036)	166.5p
28 March 1996	714,729	-	169,505	(545,274)	79p
11 July 1997	-	295,152	10,622	(284,530)	108.5p

At 31 December 1997 there were no options outstanding

14. Share premium account

	£000
At 1 April 1997	33,524
Additions within the period	162
	<hr/>
31 December 1997	33,686
	=====

15. Reserves

	<u>Profit and loss account</u> £'000
At 1 April 1997	1,367
Profit for the period	5,582
	<hr/>
At 31 December 1997	6,949
	=====

NOTES (continued)

16. Reconciliation of movements in shareholders' funds

	31 December 1997 £'000	31 March 1997 £'000
Profit for the period	14,483	2,799
Dividends on equity shares	(8,901)	(3,188)
New issue of share capital	172	-
Net addition to/(deduction from) shareholders' funds	5,754	(389)
Opening shareholders' funds	37,343	37,732
Closing shareholders' funds	43,097 =====	37,343 =====

17. Commitments

- (i) The company had no capital commitments at 31 December 1997 or at 31 March 1997.
- (ii) The Company had no annual commitments under non-cancellable operating leases at 31 December 1997 or at 31 March 1997.

18. Pension scheme

The Company is a member of a funded defined benefit pension scheme known as the Republic Industries Pension Scheme (formerly EuroDollar Pension Scheme).

Information on the Pension Scheme is contained in the Alamo Rent A Car (UK) Limited financial statements for the year ended 31 December 1997.

19. Contingent liabilities

The Company along with other undertakings of the Alamo Rent A Car (UK) Limited Group have created guarantees in favour of two finance companies in respect of the due payment and performance of certain liabilities and obligations of National Car Rental Limited, a fellow subsidiary undertaking.

The Company has guaranteed the bank borrowings of certain subsidiary undertakings by a cross guarantee.

The Directors are of the opinion that these arrangements will not have a material impact on the results and financial position of the Company.

NOTES (continued)

20. Ultimate parent undertaking

The Company's ultimate parent and controlling undertaking is Republic Industries Inc., a company registered in the United States of America.

The largest group into which the Company's results are consolidated is that controlled by Republic Industries Inc. The smallest group into which the Company's results are consolidated is that headed up by Alamo Rent A Car (UK) Limited.

Copies of the financial statements of Alamo Rent A Car (UK) Limited for the year ended 31 December 1997 are available from The Secretary, Alamo Rent A Car (UK) Limited, James House, 55 Welford Road, Leicester LE2 7AR.

21. Prior year comparatives

Amounts shown in respect of the prior period which are presented for comparative purposes, were audited by a firm of accountants other than Arthur Andersen.