

ANC Rental Corporation Limited
(formerly Republic Industries (Holdings) PLC)

Annual report and accounts
for the year ended 31 December 2000

Registered number: 2779999



Directors' report

For the year ended 31 December 2000

The directors present their annual report, together with the accounts and auditors' report for the year ended 31 December 2000.

Principal activity

The principal activity of the company continues to be that of an intermediate 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 ANC Rental Corporation Limited with effect from 20 July 2000.

Business review

The company has continued to provide management services to its subsidiaries throughout the year. 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 year's trading are as shown on page 4. The directors do not recommend the payment of a dividend (1999 - £nil).

Increase in share capital

On 20 November 2000 the company increased its authorised share capital to £33,600,000 being 672,000,000 ordinary shares of 5p each and issued 600,000,000 ordinary shares of 5p each at par.

Directors and their interests

The directors who have served during the year and subsequently are as follows:

D M Custage (resigned 4 August 2000)

I Wardle

J S Leigh

No director held any beneficial interest in shares of ANC Rental Corporation Limited or any of its subsidiaries at 31 December 2000 or at 31 December 1999.

Directors' report (continued)

Directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 enable them to ensure that the accounts 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.

Payments to suppliers

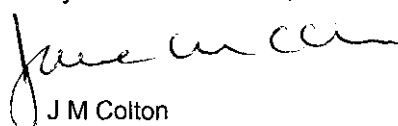
It is the company's policy, in respect of the majority of suppliers, to agree the terms of payment with those suppliers when finalising overall contact terms. The company seeks to comply with the agreed payment terms whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed contracted terms and conditions.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

James House
55 Welford Road
Leicester
LE2 7AR

By order of the Board,



J M Colton

Secretary

22 May 2001

To the Shareholders of ANC Rental Corporation Limited (formerly Republic Industries (Holdings) PLC):

We have audited the accounts on pages 4 to 12 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 directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

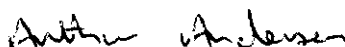
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Four Brindleyplace
Birmingham
B1 2HZ

22 May 2001

Profit and loss account

For the year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
Management income		106	142
Operating profit		106	142
Investment income	2	2,395	2,689
Profit on ordinary activities before taxation	3	2,501	2,831
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation	13	2,501	2,831

All turnover and operating profit arose from continuing activities.

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

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 December 2000

	Notes	2000 £'000	1999 £'000
Fixed assets			
Investments	6	66,842	36,842
Current assets			
Debtors			
- due within one year	7	10,099	9,647
- due after one year	7	32,055	-
		<u>42,154</u>	<u>9,647</u>
Creditors: Amounts falling due within one year	8	(465)	(459)
Net current assets		<u>41,689</u>	<u>9,188</u>
Total assets less current liabilities		<u>108,531</u>	<u>46,030</u>
Creditors: Amounts falling due after more than one year	9	(30,000)	-
Net assets		<u>78,531</u>	<u>46,030</u>
Capital and reserves			
Called-up share capital	11	32,462	2,462
Share premium account	12	33,686	33,686
Profit and loss account	13	12,383	9,882
Shareholders' funds, all equity	14	<u>78,531</u>	<u>46,030</u>

The accounts on pages 4 to 12 were approved by the board of directors and signed on its behalf by:

J S Leigh

Director

I Wardle

Director

22 May 2001

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

31 December 2000

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year. These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

a) Investments

Fixed asset investments in subsidiary undertakings are shown at cost less provisions for impairment.

b) 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. No payment is made in respect of the surrender or such losses. Deferred taxation assets and liabilities are calculated using the liability method and are recognised or provided for to the extent that it is probable that an asset or liability will crystallise in the foreseeable future.

c) Pension costs and other post-retirement benefits

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.

d) Cash flow statement

The company has elected to utilise the exemption provided by Financial Reporting Standard No. 1 (Revised) and has not prepared a cash flow statement, as its results are included in the consolidated financial statements of the ultimate parent undertaking which are publicly available.

e) Exemption from preparing Group accounts

Consolidated accounts have not been prepared as the company has taken advantage of the exemption provided in Section 228 of the Companies Act 1985, as the company is a wholly owned subsidiary of a parent incorporated within the European Community.

f) Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard No. 8 not to disclose related party transactions with companies, 90% or more of whose voting rights are controlled within the ANC Rental Corporation group.

Notes to accounts (continued)

2 Investment Income

	2000 £'000	1999 £'000
Income from shares in group undertakings	2,350	2,650
Other Interest receivable	1	-
Interest on loans to group undertakings	44	39
	<u>2,395</u>	<u>2,689</u>

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £'000	1999 £'000
Auditors' remuneration for audit services	<u>5</u>	<u>5</u>

4 Staff costs

	2000 Number	1999 Number
Average monthly number of employees (including executive directors) was	<u>6</u>	<u>7</u>

Notes to accounts (continued)

4 Staff costs (continued)

Their aggregate remuneration comprised:

	2000 £'000	1999 £'000
Wages and salaries	349	443
Social security costs	33	45
Other pension costs	48	81
	<u>430</u>	<u>569</u>

Directors' remuneration, interests and transactions

The total amounts for directors' remuneration and other benefits were as follows:

	2000 £'000	1999 £'000
Emoluments	<u>149</u>	<u>294</u>

The emoluments of the directors are paid by other undertakings within the group. The amount of the directors' emoluments shown above are deemed to be in respect of their services to the company having been recharged to the company.

5 Tax on profit on ordinary activities

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

6 Fixed asset investments

	Subsidiary undertakings £'000
<i>Cost and net book value</i>	
At 1 January 2000	36,842
Acquisition of shares in ANC Rental Corporation (Properties) Limited	<u>30,000</u>
At 31 December 2000	<u>66,842</u>

In the opinion of the directors, the value of these investments is not less than the value recorded in the accounts.

Notes to accounts (continued)

6 Investments (continued)

Investments in subsidiary undertakings comprise:

	Country of incorporation (if not England)	Principal activity	Holding	%
*ANC Rental Corporation (Properties) Limited		Property holding company	30,000,100 £1 ordinary shares	100
*ANC Rental Corporation (Insurances) Limited	Guernsey	Insurance and reinsurance	250,000 £1 ordinary shares	100
ANC Rental Corporation (UK) Limited		Vehicle rental	30,001,000 £1 ordinary shares	100
*Republic Industries Automotive Rental Group (Holland) B.V.	Holland	Vehicle rental	4,002 NLG 10 ordinary shares	100
ANC Rental Corporation (Franchising) Limited		Franchising of vehicle rental systems	8,000 £1 ordinary shares	100
*Provincial Assessors Limited		Accident damage assessment	2 £1 ordinary shares	100
Provincial Securities Limited		Dormant	4 £1 ordinary shares	100
*Diplema 272 Limited		Dormant	2 £1 ordinary shares	100
*Diplema 274 Limited		Dormant	2 £1 ordinary shares	100
*ANC Rental Pension Scheme Trustees Ltd		Dormant	2 £1 ordinary shares	100
*Diplema Spain S.A.		Dormant	2 £1 ordinary shares	100

*denotes directly held by the company.

7 Debtors

	2000 £'000	1999 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	10,099	7,577
ACT recoverable	-	2,070
	<u>10,099</u>	<u>9,647</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	30,000	-
ACT recoverable	2,055	-
	<u>32,055</u>	<u>-</u>
	<u>42,154</u>	<u>9,647</u>

Notes to accounts (continued)

8 Creditors: Amounts falling due within one year

	2000 £'000	1999 £'000
Amounts owed to subsidiary undertakings	115	110
Other creditors	345	345
Accruals and deferred income	5	4
	<u>465</u>	<u>459</u>

9 Creditors: Amounts falling due after more than one year

	2000 £'000	1999 £'000
Amounts owed to group undertakings	30,000	-
	<u>30,000</u>	<u>-</u>

10 Deferred taxation

There is no provided or unprovided deferred taxation at 31 December 2000 (1999 - £nil).

11 Called-up share capital

	2000 £'000	1999 £'000
<i>Authorised</i>		
672,000,000 (1999 – 72,000,000) ordinary shares of 5p each	<u>33,600</u>	<u>3,600</u>
<i>Allotted, called-up and fully-paid:</i>		
649,238,158 (1999 – 49,238,158) ordinary shares of 5p each	<u>32,462</u>	<u>2,462</u>

On 20 November 2000 the company increased its authorised share capital to £33,600,000 being 672,000,000 ordinary shares of 5p each and issued 600,000,000 ordinary shares of 5p each at par.

12 Share premium account

	£'000
At 1 January and 31 December 2000	<u>33,686</u>

13 Profit and loss account

	£'000
At 1 January 2000	9,882
Retained profit for the year	<u>2,501</u>
At 31 December 2000	<u>12,383</u>

Notes to accounts (continued)

14 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Profit for the period	2,501	2,831
Issue of ordinary shares	30,000	-
Opening shareholders' funds	46,030	43,199
Closing shareholders' funds	78,531	46,030

15 Financial commitments

The company had no capital commitments at 31 December 2000 (1999 - £nil).

The company had no annual commitments under non-cancellable operating leases at 31 December 2000 or 31 December 1999.

16 Pension scheme

The company is the principal employer of a funded defined benefit pension scheme established by ANC Rental Corporation Limited known as the ANC Rental Pension Scheme.

Information on the ANC Rental Pension Scheme is contained in the ANC Rental Corporation (Holdings) Limited accounts for the year ended 31 December 2000.

17 Contingent liabilities

The company, along with other group undertakings, has created a guarantee in favour of one finance company in respect of the due payment and performance of certain liabilities and obligations of ANC Rental Corporation (UK) Limited, a 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 to accounts (continued)

18 Ultimate parent company and controlling party

The company's ultimate parent company and controlling party is ANC Rental Corporation, a company registered in the United States of America.

The largest group into which the company's results are consolidated is ANC Rental Corporation, the accounts of which are available to the public from The Secretary, ANC Rental Corporation (Holdings) Limited, James House, 55 Welford Road, Leicester, LE2 7AR. The smallest group into which the company's results are consolidated is that headed up by ANC Rental Corporation (Holdings) Limited.

Copies of the accounts of ANC Rental Corporation (Holdings) Limited for the year ended 31 December 2000 are available from The Secretary, ANC Rental Corporation (Holdings) Limited, James House, 55 Welford Road, Leicester, LE2 7AR.