



ARTHUR ANDERSEN

Provincial Assessors Limited

Annual report and accounts
for the year ended 31 December 1999

Registered number: 2810561



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Directors' report

For the year ended 31 December 1999

The directors present their annual report and the audited accounts for the year ended 31 December 1999.

Principal activity

The principal activity of the company is that of accident damage assessment and reporting.

Business review

The directors consider the level of trading to be satisfactory for the year to 31 December 1999.

Results and dividends

The audited accounts for the year ended 31 December 1999 are set out on pages 4 to 9.

The directors do not recommend the payment of a dividend (1998 - £nil).

Directors and directors' interests

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

D M Custage (appointed 15 July 1999, resigned 4 August 2000)

I Wardle

J S Leigh (appointed 4 August 2000)

G E H Corbett (resigned 15 July 1999)

No director held any beneficial interest in shares or debentures of the company, its fellow subsidiaries or parent company at 31 December 1999.

Directors' responsibility statement

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.

Directors' report (continued)

Directors' responsibility statement (continued)

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.

Year 2000


The company experienced no disruption of operations following the rollover of computer systems to the Year 2000 date, due to preventative measures taken. The costs did not materially add to general operating and capital expenditure.

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

13 October 2000



To the Shareholders of Provincial Assessors Limited:

We have audited the accounts on pages 4 to 9 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 pages 1 and 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 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 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 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 1999 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

1 Victoria Square
Birmingham
B1 1BD

13 October 2000

Profit and loss account

For the year ended 31 December 1999

	Notes	1999 £	1998 £
Turnover	1a	458,715	452,165
Cost of sales		(138,050)	(122,775)
Gross profit		320,665	329,390
Administrative expenses		(36,955)	(27,446)
Profit on ordinary activities before taxation		283,710	301,944
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation, transferred to reserves	7	283,710	301,944

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

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

All turnover and profit arose from continuing activities.

Balance sheet
31 December 1999

	Notes	1999 £	1998 £
Current assets			
Debtors	5	739,207	455,497
Net assets		<u>739,207</u>	<u>455,497</u>
Capital and reserves			
Called-up share capital	6	2	2
Profit and loss account	7	739,205	455,495
Equity shareholders' funds	8	<u>739,207</u>	<u>455,497</u>

The accounts on pages 4 to 9 were approved by the board of directors and signed on its behalf by:

J S Leigh

Director

I Wardle

Director

13 October 2000

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

Notes to accounts

31 December 1999

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

a) Turnover

Turnover represents the gross amount receivable from inspection fees, exclusive of value added tax. The business is operated entirely within the United Kingdom.

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. 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 accounts of the ultimate parent undertaking which are publicly available.

e) 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.

2 Profit on ordinary activities before taxation

Audit fees are borne by other group companies, with no element being recharged to Provincial Assessors Limited.

Notes to accounts (continued)

3 Staff costs

	1999 Number	1998 Number
Average monthly number of employees (including executive directors) was:	<u>5</u>	<u>5</u>

Their aggregate remuneration comprised:

	1999 £	1998 £
Wages and salaries	111,895	100,067
Social security costs	11,719	9,765
Other pension costs	<u>14,436</u>	<u>12,943</u>
	<u>138,050</u>	<u>122,775</u>

Directors' remuneration, interests and transactions

The emoluments of the directors are borne by other group undertakings and no specific charges are received by the company in respect of their services to the company. The amount of the directors' emoluments which are deemed to be in respect of their services to the company is £nil (1998 – £nil).

4 Tax on profit on ordinary activities

The tax charge comprises:

	1999 £	1998 £
UK Corporation tax	85,822	93,600
Group relief	<u>(85,822)</u>	<u>(93,600)</u>
	<u>-</u>	<u>-</u>

Notes to accounts (continued)

5 Debtors

	1999 £	1998 £
Amounts owed by group undertakings	<u>739,207</u>	<u>455,497</u>

6 Called-up share capital

	1999 £	1998 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called-up and fully-paid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

7 Reserves

	1999 £	1998 £
<i>Profit and loss account</i>		
At beginning of year	455,495	153,551
Retained profit for the year	<u>283,710</u>	<u>301,944</u>
At end of year	<u>739,205</u>	<u>455,495</u>

8 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the year	<u>283,710</u>	<u>301,944</u>
Net addition to shareholders' funds	<u>283,710</u>	<u>301,944</u>
Opening shareholders' funds	<u>455,497</u>	<u>153,553</u>
Closing shareholders' funds	<u>739,207</u>	<u>455,497</u>

9 Pension arrangements

The company is a participating 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 1999.

Notes to accounts (continued)

10 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 fellow subsidiary undertaking.

The directors are of the opinion that this arrangement will not have a material impact on the results and financial position of the company.

11 Ultimate parent undertaking 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 period ended 31 December 1999 are available from The Secretary, ANC Rental Corporation (Holdings) Limited, James House, 55 Welford Road, Leicester LE2 7AR.