

Provincial Assessors Limited

Annual report and financial statements  
for the year ended 31 December 2006

Registered number 2810561

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# **Provincial Assessors Limited**

## **Annual report and financial statements for the year ended 31 December 2006**

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# **Provincial Assessors Limited**

## **Directors and advisors for the year ended 31 December 2006**

### **Directors**

J S Leigh  
I Wardle (resigned 7 December 2006)

### **Secretary**

Jane M Colton

### **Auditors**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### **Registered office**

James House  
55 Welford Road  
Leicester  
LE2 7AR

# **Provincial Assessors Limited**

## **Directors' report for the year ended 31 December 2006**

The directors present their report and the audited financial statements for the year ended 31 December 2006

### **Principal activities**

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

### **Review of the business**

Turnover decreased by £164,000 (2005 increased by £126,000) during the year to £544,000 (2005 £708,000), mainly due to a lower volume of accident damage assessments completed. Further information is given in the Business Review set out on page 2 of the annual report and financial statements for the year ended 31 December 2006 by the company's parent undertaking Vanguard Car Rental EMEA Holdings Limited

The key business risks and uncertainties affecting the company are considered to relate to external market factors, which affect the demand for accident damage assessments through reduced volumes of damage incidents

The company's performance is closely monitored by its parent company through monthly management reporting. For this reason, the directors believe that analysis of key performance indicators for the company is not necessary

### **Results and dividends**

The profit after tax for the year of £246,000 (2005 £463,000) has been transferred to reserves. The directors do not recommend the payment of any dividends (2005 £nil)

### **Post balance sheet event**

On 10 November 2006, the shareholders of Vanguard Car Rental EMEA Holdings Limited ("Vanguard EMEA"), the company's ultimate parent in the United Kingdom, entered into a conditional Sale and Purchase Agreement with Europcar UK Limited and Europcar Groupe SA in respect of Vanguard EMEA's entire issued share capital. On 28 February 2007, the transaction was completed, and Vanguard EMEA and its subsidiaries became wholly-owned subsidiaries of Europcar UK Limited, a company incorporated in the United Kingdom

### **Directors**

The directors who served the company during the year were as follows

J S Leigh  
I Wardle (resigned 7 December 2006)

There are no directors' interests requiring disclosure under the Companies Act 1985

No directors held any beneficial interest in shares or debentures of the company, its fellow subsidiaries or parent company at 31 December 2006 or at 31 December 2005

# **Provincial Assessors Limited**

## **Directors' report for the year ended 31 December 2006 (continued)**

### **Statement of directors' responsibilities**

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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

### **Auditors and disclosure of information to auditors**

As far as the directors are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

### **Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution to formally reappoint them as auditors to the company will be proposed at the annual general meeting.

By order of the board



Jane M Colton  
Secretary  
2 April 2007

# **Independent auditors report to the shareholders of Provincial Assessors Limited**

We have audited the financial statements of Provincial Assessors Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

## **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

5 April 2007

## **Provincial Assessors Limited**

### **Profit and loss account for the year ended 31 December 2006**

	Notes	2006 £000	2005 £000
<b>Turnover</b>	2	<b>544</b>	708
Cost of sales		(264)	(292)
<b>Gross profit</b>		<b>280</b>	416
Administrative expenses		(34)	(38)
<b>Profit on ordinary activities before taxation</b>	3	<b>246</b>	378
Tax on profit on ordinary activities	5	-	85
<b>Profit retained for the financial year</b>		<b>246</b>	463

All the above results are derived from continuing operations

The company has no recognised gains and losses other than those reflected in the profit and loss account and there is no difference between the above results and those reported on an unmodified historical cost basis


A reconciliation of shareholders' funds and movement on reserves is shown in note 10 to the financial statements

# Provincial Assessors Limited

## Balance sheet as at 31 December 2006

	Notes	2006 £000	2005 £000
<b>Current assets</b>			
Debtors	6	2,525	2,279
<b>Net assets</b>		<b>2,525</b>	<b>2,279</b>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	2,525	2,279
<b>Equity shareholders' funds</b>	10	<b>2,525</b>	<b>2,279</b>

The financial statements on pages 5 to 12 were approved by the board of directors and signed on its behalf by



J S Leigh  
Director

2 April 2007

The accompanying notes form an integral part of these accounts



# **Provincial Assessors Limited**

## **Notes to the financial statements for the year ended 31 December 2006**

### **1 Accounting policies**

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention

The directors have reviewed the financial position, current trading, forecasts and available borrowing facilities of the UK group (both in respect of overdraft and vehicle financing facilities), and have concluded that the application of the going concern assumption remains appropriate in preparing these accounts

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1, Cash Flow Statements (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

#### **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 provided in full on timing differences that arise in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Pension costs**

The group adopts Financial Reporting Standard No 17, Retirement Benefits ("FRS 17"). The company is a participating employer of a defined benefit pension scheme that is established by a fellow group company, and in accordance with FRS 17 (and the treatment adopted in previous years) the company has accounted for its contributions to the scheme as if it were a defined contribution scheme. This is because it is not possible to identify the company's share of the assets and liabilities in the scheme on a consistent and reasonable basis.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## **Provincial Assessors Limited**

### **Notes to the financial statements for the year ended 31 December 2006 (continued)**

#### **2 Turnover**

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

#### **3 Operating profit**

The audit fees of the company were borne by Vanguard Rental (UK) Limited.

#### **4 Staff costs**

The average number of employees during the year was as follows:

	<b>2006</b>	<b>2005</b>
	<b>No.</b>	<b>No.</b>
Technical	<b>4</b>	<b>4</b>

	<b>2006</b>	<b>2005</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>110</b>	<b>107</b>
Social security costs	<b>13</b>	<b>11</b>
Pension costs	<b>32</b>	<b>32</b>
	<b>155</b>	<b>150</b>

# Provincial Assessors Limited

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 5 Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2006	2005
	£000	£000
<b>Current tax</b>		
Corporation tax (note 5(b))	-	-
<b>Adjustment in respect of prior years</b>		
Corporation tax	-	(85)
<b>Total current tax</b>	-	(85)

#### (b) Factors affecting current tax charge in period

	2006	2005
	£000	£000
Profit on ordinary activities before tax	246	378
Profit on ordinary activities before tax @ 30%	74	114
Effect of utilisation of group relieved tax losses	(74)	(114)
<b>Total current tax (note 5(a))</b>	-	-

### 6 Debtors

	2006	2005
	£000	£000
Amounts owed by group undertakings	2,517	2,271
Corporation tax	8	8
	<b>2,525</b>	<b>2,279</b>

## **Provincial Assessors Limited**

### **Notes to the financial statements for the year ended 31 December 2006 (continued)**

#### **7 Contingent liability**

The company, along with certain other UK group undertakings, has entered into cross guarantees in respect of a revolving credit and overdraft facility. The amount outstanding on the facility at year end was £nil (2005 £nil).

The directors are of the opinion that these arrangements will not have a material impact on the results or position of the company.

#### **8 Related party transactions**

The company has taken advantage of the exemption offered under Financial Reporting Standard No 8, Related Party Disclosures, not to disclose related party transactions within a group whose consolidated financial statements are available to the public. There are no other related party transactions requiring disclosure in the period.

#### **9 Share capital**

	2006		2005	
	Number	£000	Number	£000
<b>Authorised</b>				
Ordinary shares of £1 each	100	-	100	-
<b>Allotted, called-up and fully paid</b>				
Ordinary shares of £1 each	2	-	2	-

## Provincial Assessors Limited

### Notes to the financial statements for the year ended 31 December 2006 (continued)

#### 10 Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
At 1 January 2006	-	2,279	2,279
Profit for the year	-	246	246
At 31 December 2006	-	2,525	2,525

#### 11 Pension scheme

The company is a participating employer of a funded defined benefit pension scheme established by Vanguard Rental Limited known as Vanguard Rental Pension Scheme

Information on the Vanguard Rental Pension Scheme is contained in the Vanguard Rental (Holdings) Limited financial statements for the year ended 31 December 2006. In accordance with FRS 17, the company accounts for its contributions to the scheme as if it were a defined contribution scheme because it is not possible to identify the company's share of the assets and liabilities in the scheme on a consistent and reasonable basis.

The latest actuarial valuation of the scheme, prepared for the purposes of making the disclosures in accordance with FRS 17 in the consolidated financial statements of the parent undertaking, Vanguard Rental (Holdings) Limited, shows a deficit of £582,000 (2005: £7,202,000). Further details of this valuation can be found in the financial statements of the parent undertaking, Vanguard Rental (Holdings) Ltd.

#### 12 Post balance sheet event

On 10 November 2006, the shareholders of Vanguard Car Rental EMEA Holdings Limited ("Vanguard EMEA"), the company's ultimate parent in the United Kingdom, entered into a conditional Sale and Purchase Agreement with Europcar UK Limited and Europcar Groupe SA in respect of Vanguard EMEA's entire issued share capital. On 28 February 2007, the transaction was completed, and Vanguard EMEA and its subsidiaries became wholly-owned subsidiaries of Europcar UK Limited, a company incorporated in the United Kingdom.

## **Provincial Assessors Limited**

### **Notes to the financial statements for the year ended 31 December 2006 (continued)**

#### **13 Ultimate parent company**

As a result of an acquisition of the company's ultimate UK parent company's shares on 28 February 2007 (see note 12), the company's ultimate parent is Eurazeo S A, a quoted French investment company

In respect of the year ended 31 December 2006, the largest group into which the company's results are consolidated is Vanguard Car Rental Holdings LLC, a company incorporated in Delaware, USA. The smallest group into which the company's results are consolidated is Vanguard Rental (Holdings) Limited, a company incorporated in the United Kingdom

Copies of the financial statements of Vanguard Rental (Holdings) Limited for the period ended 31 December 2006 are available from The Secretary, Vanguard Rental (Holdings) Limited, James House, 55 Welford Road, Leicester, LE2 7AR