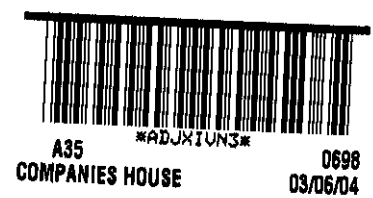


# **Provincial Assessors Limited**

## **Report and Financial Statements**

31 December 2003

Registered number: 2810561



Provincial Assessors Limited

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Registered No:2810561

**Directors**

I Wardle

J S Leigh

**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

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2003.

### Results and dividends

The profit for the year amounted to £162,107 (2002 - £212,776). The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The principal activity of the company is that of accident damage assessment and reporting, and is expected to continue in that capacity for the foreseeable future.

The directors consider the level of trading to be satisfactory for the year to 31 December 2003.

On 14 October 2003 certain assets formerly owned by ANC Rental Corporation, (the Company's former holding company) were purchased by Worldwide Excelerated Leasing Limited. These assets included the shares of Vanguard Rental (Holdings) Limited being the Company's UK parent immediately prior to the transaction.

### Directors

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

I Wardle  
J S Leigh

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 2003 or at 31 December 2002.

### 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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 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

Ernst & Young LLP resigned as auditors on 19 January 2004. PricewaterhouseCoopers LLP were appointed by the directors. A resolution to formally reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



Jane M Colton  
Secretary

26 May 2004

## **Independent auditors' report to the members of Provincial Assessors Limited**

We have audited the company's financial statements which comprise the Profit and Loss Account, the Balance Sheet and the related notes.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

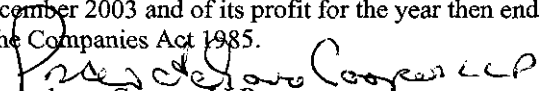
### **Basis of audit opinion**

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 misstatements 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 as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

26 May 2004

## Profit and loss account

for the year ended 31 December 2003

	Notes	2003 £	2002 £
<b>Turnover</b>	2	460,200	467,800
Cost of sales		(257,237)	(223,922)
<b>Gross profit</b>		<u>202,963</u>	<u>243,878</u>
Administrative expenses		(40,856)	(31,102)
<b>Profit on ordinary activities before taxation</b>		<u>162,107</u>	<u>212,776</u>
Tax on profit on ordinary activities	5	—	—
<b>Profit retained for the financial year</b>		<u><u>162,107</u></u>	<u><u>212,776</u></u>

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 the movement in equity shareholders' funds is shown in note 9 to the financial statements.

# Balance sheet

at 31 December 2003

	Notes	2003 £	2002 £
<b>Current assets</b>			
Debtors	6	1,618,644	1,456,537
<b>Net assets</b>		<u>1,618,644</u>	<u>1,456,537</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	1,618,642	1,456,535
<b>Equity shareholders' funds</b>	9	<u>1,618,644</u>	<u>1,456,537</u>

The financial statements were approved by the board of directors and signed on its behalf by:

I Wardle Director

J S Leigh Director

26 May 2004

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

## Notes to the financial statements

at 31 December 2003

### 1. Accounting policies

#### ***Basis of preparation***

The financial statements are prepared under the historical cost convention.

The UK 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 (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. No payment is made in respect of the surrender of such losses or for the surrender of ACT.

#### ***Deferred taxation***

Deferred tax 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 which will result in an obligation to pay more, or a right to pay less tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- 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 timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## Notes to the financial statements

at 31 December 2003

### 1. Accounting policies (continued)

#### *Pension costs*

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members. Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either accruals or prepayments in the balance sheet.

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.

### 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

Audit fees are borne by other group companies.

### 4. Staff costs

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

	2003 No.	2002 No.
Technical	5	4
	2003 £	2002 £
Wages and salaries	120,721	102,066
Social security costs	11,734	9,696
Staff pension contributions	33,158	18,601
	165,613	130,363



## Notes to the financial statements

at 31 December 2003

### 5. Tax

	2003 £	2002 £
Tax on profit on ordinary activities:		
Current tax	—	—
	<u>—</u>	<u>—</u>
	2003 £	2002 £
Factors affecting current tax charge in period		
Profit on ordinary activities before tax	162,107	212,776
Profit on ordinary activities before tax @ 30%	48,632	63,833
Effect of utilisation of group relieved tax losses	(48,632)	(63,833)
Current tax charge in period	<u>—</u>	<u>—</u>

No tax charge arises in the year (2002 - nil). There is no un-provided amount of deferred taxation at either year end.

### 6. Debtors

	2003 £	2002 £
Amounts owed by group undertakings	1,610,644	1,448,537
Corporation tax	8,000	8,000
	<u>1,618,644</u>	<u>1,456,537</u>

### 7. Related party transactions

The company has taken advantage of the exemption offered under Financial Reporting Standard No.8 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.

### 8. Share capital

	No.	2003 £	No.	Authorised 2002 £
Ordinary shares of £1 each	100	<u>100</u>	100	<u>100</u>
	No.	2003 £	No.	Allotted, called up & fully paid 2002 £
Ordinary shares of £1 each	2	<u>2</u>	2	<u>2</u>

## Notes to the financial statements

at 31 December 2003

### 9. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total share-</i>
	<i>£</i>	<i>account</i>	<i>holders' funds</i>
		<i>£</i>	<i>£</i>
At 1 January 2002	2	1,243,759	1,243,761
Profit for the year	—	212,776	212,776
At 31 December 2002	2	1,456,535	1,456,537
Profit for the year	—	162,107	162,107
At 31 December 2003	2	1,618,642	1,618,644

### 10. Pension scheme

The company is a participating employer of a funded defined benefit pension scheme established by Vanguard Rental (Holdings) 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 2003.

Additional disclosures regarding the group defined benefit pension scheme are required under the transitional provisions of "FRS 17 Retirement benefits". In accordance with FRS 17, the company will account 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 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 transitional disclosures in accordance with FRS 17 in the consolidated financial statements of the parent undertaking, Vanguard Rental (Holdings) Limited, shows a deficit of £1,717,000 (2002 – deficit of £2,916,000). Further details of this valuation can be found in the financial statements of the parent undertaking, Vanguard Car Rental (Holdings) Limited.

### 11. Ultimate parent company

The company's ultimate parent company and controlling party is Worldwide Excellerated Leasing Limited, a company registered in Bermuda.

The largest group into which the company's results are consolidated is Worldwide Excellerated Leasing Limited. The smallest group into which the company's results are consolidated is Vanguard Car Rental (Holdings) Limited.

Copies of the financial statements of Vanguard Car Rental (Holdings) Limited for the period ended 31 December 2003 are available from The Secretary, Vanguard Car Rental (Holdings) Limited, James House, 55 Welford Road, Leicester, LE2 7AR.