



Provincial Assessors Limited

Annual report and accounts
for the year ended 31 December 1998

Registered number: 2810561



Directors' report

For the year ended 31 December 1998

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1998.

Principal activities

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 1998 and increased the number of employees to 5 in 1998.

Dividends

The directors do not recommend the payment of a dividend (period ended 31 December 1997 - £30,000).

Directors and directors' interests

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

G E H Corbett

I Wardle (appointed 15 June 1998)

S C Westoby (resigned 15 June 1998)

No director held any beneficial interest in shares or debentures of the company, its fellow subsidiaries or parent company at 31 December 1998.

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

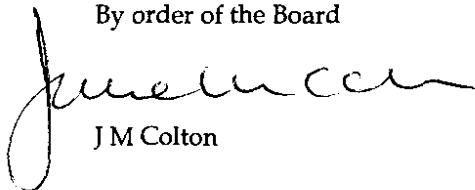
The company has taken all reasonable steps deemed necessary to ensure that all its business systems and processes, and those of its major suppliers, are Year 2000 compliant. No significant costs have been incurred, nor are expected to be incurred, in ensuring this.

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

2 July 1999

Auditors' report

Nottingham

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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 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 1998 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

2 July 1999

Profit and loss account

For the year ended 31 December 1998

	Notes	12 months to 31 December 1998 £	9 months to 31 December 1997 £
Turnover	1b	452,165	278,075
Cost of sales		(122,775)	(70,775)
Gross profit		<u>329,390</u>	<u>207,300</u>
Administrative expenses		(27,446)	(55,674)
Profit on ordinary activities before taxation		<u>301,944</u>	<u>151,626</u>
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation		<u>301,944</u>	<u>151,626</u>
Dividends on equity shares	5	-	(30,000)
Retained profit for the period transferred to reserves	8	<u>301,944</u>	<u>121,626</u>

There were no recognised gains or losses other than that 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 1998

	Notes	1998 £	1997 £
Current assets			
Debtors	6	455,497	153,553
Net assets		<u>455,497</u>	<u>153,553</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	455,495	153,551
Equity shareholders' funds	9	<u>455,497</u>	<u>153,553</u>

The accounts on pages 4 to 9 were approved by the board of directors on 2 July 1999 and signed on its behalf by:

G E H Corbett  Director

I Wardle  Director

2 July 1999

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

Notes to accounts

31 December 1998

1 Accounting policies

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

a) 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.

b) Turnover

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

c) 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.

d) Cash flow statement

The company has elected to utilise the exemption provided by FRS1 (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 FRS8 not to disclose related party transactions with companies, 90% or more of whose voting rights are controlled within the AutoNation, Inc. group.

2 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 amount to £Nil (9 months ended 31 December 1997 - £Nil).

Notes to accounts (continued)

3 Staff costs

	12 months to 31 December 1998 Number	9 months to 31 December 1997 Number
Average monthly number of employees was:	<u>5</u>	<u>4</u>

The aggregate remuneration comprised:

	12 months to 31 December 1998 £	9 months to 31 December 1997 £
Wage and salaries	100,067	58,019
Social security costs	8,765	5,615
Other pension costs	12,943	7,141
	<u>121,775</u>	<u>70,775</u>

4 Tax on profit on ordinary activities

The tax charge comprises:

	12 months to 31 December 1998 £	9 months to 31 December 1997 £
UK Corporation tax at 31% (1997 - 21%)	93,600	31,841
- under provision prior year	-	2,861
Group relief	(93,600)	(34,702)
	<u>-</u>	<u>-</u>

5 Dividends

	12 months to 31 December 1998 £	9 months to 31 December 1997 £
Final dividend £Nil per share (1997 - £15,000 per share)	<u>-</u>	<u>30,000</u>

Notes to accounts (continued)

6 Debtors

	1998 £	1997 £
Amounts owed by group undertakings	<u>455,497</u>	<u>153,553</u>

7 Called up share capital

	1998 £	1997 £
<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>

8 Reserves

	1998 £	1997 £
<i>Profit and loss account</i>		
At beginning of period	153,551	31,925
Retained profit for the period	<u>301,944</u>	<u>121,626</u>
At end of period	<u>455,495</u>	<u>153,551</u>

9 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the period	301,944	121,626
Net addition to shareholders' funds	<u>301,944</u>	<u>121,626</u>
Opening shareholders' funds	<u>153,553</u>	<u>31,927</u>
Closing shareholders' funds	<u>455,497</u>	<u>153,553</u>

10 Pension arrangements

The company is a participating employer of a funded defined benefit pension scheme established by Republic Industries (Holdings) plc (formerly EuroDollar (Holdings) plc) and known as the Republic Industries Pension Scheme (formerly EuroDollar Pension Scheme).

Information on the Republic Industries Pension Scheme is contained in the Alamo Rent A Car (UK) Limited accounts for the year ended 31 December 1998.

Notes to accounts (continued)

11 Contingent liabilities

The company along with other group undertakings 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 directors are of the opinion that these arrangements will not have a material impact on the results and financial position of the company.

12 Ultimate parent undertaking

The company's ultimate parent and controlling undertaking is AutoNation, 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 AutoNation, Inc. The smallest group into which the company's results are consolidated is Alamo Rent A Car (UK) Limited.

Copies of the accounts of Alamo Rent A Car (UK) Limited for the period ended 31 December 1998 are available from The Secretary, Alamo Rent A Car (UK) Limited, James House, 55 Welford Road, Leicester LE2 7AR.