

ANC Rental Corporation (Group) PLC
(formerly Republic Industries (UK) PLC)

Annual report and accounts
for the year ended 31 December 2000

Registered number: 3418813



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 is to operate as a holding company.

Change of name

The company changed its name to ANC Rental Corporation (Group) PLC with effect from 24 February 2000.

Results and dividends

The audited accounts for the year ended 31 December 2000 are set out on pages 4 to 11. The loss for the year was £377,000 (1999 - £3,077,000 loss).

The directors do not recommend the payment of a dividend (1999 - £nil).

Increase in share capital

On 20 November 2000 the company issued £30,000,000 of additional ordinary share capital by issuing 30,000,000 ordinary shares of £1 each at par to ANC Rental Corporation (Holdings) Limited.

Directors and their interests

The directors who served during the year and subsequently are as shown below:

D M Custage (resigned 4 August 2000)

I Wardle

J S Leigh (appointed 4 August 2000)

No director held any beneficial interest in the shares of ANC Rental Corporation (Group) PLC or any of its subsidiaries at 31 December 2000 or at 31 December 1999.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of its profit or loss 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;

Directors' report (continued)

Directors' responsibilities (continued)

- 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

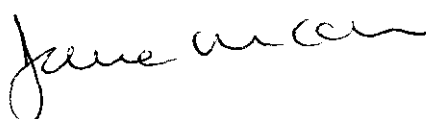
It is the company's policy, in respect of the majority of suppliers, to agree the terms of payment with those suppliers when finalising overall contract terms. The company seeks to comply with the agreed payment terms whenever it is satisfied that the supplier has provided the goods and services in accordance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

22 May 2001

To the Shareholders of ANC Rental Corporation (Group) PLC:

We have audited the accounts on pages 4 to 11 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 company's directors are responsible for the preparation of 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 loss 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
Investment income	2	1	44
Interest payable and similar charges	3	(378)	(3,121)
Loss on ordinary activities before taxation	4	(377)	(3,077)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation	11	(377)	(3,077)

All turnover and operating profit arose from continuing activities.

There are no recognised gains or losses in either year other than the loss for the year.

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	125,679	95,679
Current assets			
Debtors	7	4,002	4,002
Cash at bank and in hand		8	7
		4,010	4,009
Creditors: Amounts falling due within one year	8	(10,960)	(12,681)
Net current liabilities		(6,950)	(8,672)
Total assets less current liabilities		118,729	87,007
Creditors: Amounts falling due after more than one year	9	(48,230)	(46,131)
Net assets		70,499	40,876
Capital and reserves			
Called-up share capital	10	74,027	44,027
Capital contribution reserve	11	3,335	3,335
Profit and loss account	11	(6,863)	(6,486)
Equity shareholders' funds	12	70,499	40,876

The accounts on pages 4 to 11 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.

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts have been prepared on the going concern basis on the undertaking by the parent company that it will provide financial support to the company for the foreseeable future such that it is able to meet its liabilities as they fall due.

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

b) Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

c) 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.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

d) Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

e) 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 on the basis that the company is a wholly owned subsidiary of ANC Rental Corporation (Holdings) Limited, registered in England and Wales, whose publicly available accounts include the results of this company.

Notes to accounts (continued)

2 Investment income

	2000 £'000	1999 £'000
Other interest receivable and similar income	<u>1</u>	<u>44</u>

3 Interest payable and similar charges

	2000 £'000	1999 £'000
On overdrafts and other loans	378	646
On intercompany loans	<u>-</u>	<u>2,475</u>
	<u>378</u>	<u>3,121</u>

4 Loss on ordinary activities before taxation

The audit fees of the company were borne by ANC Rental Corporation (Holdings) Limited.

No director received any remuneration from the company during either year.

There were no employees other than the directors in either year.

5 Tax on loss on ordinary activities

There is no taxation charge due to the loss on ordinary activities for the year (1999 - £nil). There is no unprovided deferred taxation at either year end.

6 Fixed asset investments

<i>Cost and net book value</i>	Subsidiary undertakings £'000
At 1 January 2000	95,679
Acquisition of shares in ANC Rental Corporation Limited	<u>30,000</u>
At 31 December 2000	<u>125,679</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 Fixed asset investments (continued)

The company holds investments in the following subsidiary undertakings:

	Country of incorporation (if not England)	Principal Activity	Holding	%
*ANC Rental Corporation Limited		Intermediate holding company	649,238,158 5p ordinary shares	100
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 NLG10 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	100 £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 Limited		Dormant	2 £1 ordinary shares	100
Diplema Spain S.A.	Spain	Dormant	2 £1 ordinary shares	100

* denotes directly held by the company

7 Debtors

	2000 £'000	1999 £'000
Amounts owed by group undertaking	4,002	4,002

Notes to accounts (continued)

8 Creditors: Amounts falling due within one year

	2000 £'000	1999 £'000
Shareholder notes payable	5,673	7,381
Amounts owed to parent undertaking	5,175	5,175
Accruals and deferred income	112	125
	<u>10,960</u>	<u>12,681</u>

The shareholder notes are floating rate guaranteed unsecured loan notes repayable in the year 2003, with holders having the option to redeem the notes, in whole or in part, at half yearly intervals commencing from 31 August 1998. Interest is added to the loan notes, calculated at 0.5% per annum below the London Interbank Offered Rate for six month sterling deposits for £1,000,000 in the London Interbank Market at or about 11.00 am (London time) on the first day of the relevant interest period.

9 Creditors: Amounts falling due after more than one year

	2000 £'000	1999 £'000
Loan payable to parent undertaking	-	30,000
Amounts owed to parent undertaking	4,280	4,280
Amounts payable to other group undertakings	43,950	11,851
	<u>48,230</u>	<u>46,131</u>

The £30,000,000 loan payable to the parent company, ANC Rental Corporation (Holdings) Limited, was capitalised following the issue of 30,000,000 ordinary shares of £1 each at par to the parent company on 20 November 2000.

Notes to accounts (continued)

10 Called-up share capital

	2000 £'000	1999 £'000
<i>Authorised</i>		
1,000,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<i>Allotted, called-up and fully-paid</i>		
74,026,762 (1999: 44,026,762) ordinary shares of £1 each	<u>74,027</u>	<u>44,027</u>

On 20 November 2000 the company issued £30,000,000 of additional ordinary share capital by issuing 30,000,000 ordinary shares of £1 each at par to ANC Rental Corporation (Holdings) Limited, the consideration for which was the capitalisation of a £30,000,000 intercompany loan.

11 Reserves

	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2000	3,335	(6,486)	(3,151)
Loss for the year	-	(377)	(377)
At 31 December 2000	<u>3,335</u>	<u>(6,863)</u>	<u>(3,528)</u>

12 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Loss for the year	(377)	(3,077)
Issue of ordinary shares	30,000	-
Opening shareholders' funds	<u>40,876</u>	<u>43,953</u>
Closing shareholders' funds	<u>70,499</u>	<u>40,876</u>

13 Financial commitments

There are no capital or other commitments at either year end.

14 Ultimate parent company and controlling party

The company is a wholly owned subsidiary of ANC Rental Corporation (Holdings) Limited, a company registered in England and Wales. The smallest group in which results of the company are consolidated is that headed by ANC Rental Corporation (Holdings) Limited, 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.

Notes to accounts (continued)

14 Ultimate holding company and controlling party (continued)

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 in which the results of the company are consolidated is that headed by 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.

15 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 accounts are available to the public (see note 14).

There are no other related party transactions requiring disclosure in either year.