



ITEM 5. OTHER EVENTS

As previously reported in the Current Report on Form 8-K of Cendant Corporation (the "Company"), dated May 5, 1998, the Company completed the acquisition of National Parking Corporation Limited ("NPC") for \$1.6 billion in cash, which included the repayment of approximately \$227 million of outstanding NPC debt.

On September 29, 1998, the Company filed an amended Annual Report on Form 10-K/A for the year ended December 31, 1997 which included restated financial statements of the Company for the years ended December 31, 1997, 1996 and 1995. The acquisition of NPC was considered to be significant in comparison to the Company's restated financial statements and therefore the Company is filing this Current Report on Form 8-K to present the exhibits listed in item 7 hereof.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

EXHIBIT

NO.	DESCRIPTION
23.1	Consent of Deloitte & Touche -- Independent auditors of National Parking Corporation Limited;
99.1	Unaudited pro forma financial statements of Cendant Corporation giving effect to the acquisition of National Parking Corporation Limited (i) for the year ended December 31, 1997; and (ii) for the six months ended June 30, 1998;
99.2	Consolidated financial statements of National Parking Corporation Limited for the 52 week period ended 27 March 1998.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENDANT CORPORATION

BY: /s/ Scott E. Forbes

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Scott E. Forbes  
Executive Vice President  
and Chief Accounting Officer

Date: November 4, 1998

CENDANT CORPORATION  
CURRENT REPORT ON FORM 8-K  
REPORT DATED NOVEMBER 4, 1998 (APRIL 27, 1998)

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
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99.2	Consolidated financial statements of National Parking Corporation Limited for the 52 week period ended 27 March 1998.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Cendant Corporation's Registration Statement Nos. 333-11035, 333-17323, 333-17411, 333-20391, 333-23063, 333-26927, 333-35709, 333-35707, 333-45155, 333-45227 and 333-49405 on Form S-3, and Registration Statement Nos. 33-74066, 33-91658, 333-00475, 333-03237, 33-58896, 33-91656, 333-03241, 33-26875, 33-75682, 33-93322, 33-93372, 33-75684, 33-80834, 33-74068, 33-41823, 33-48175, 333-09633, 333-09655, 333-09637, 333-22003, 333-30649, 333-42503, 333-34517-2, 333-42549, 333-45183 and 333-47537 on Form S-8 of our report dated 23 October 1998, related to the consolidated financial statements of National Parking Corporation Limited included in Cendant Corporation's current report on Form 8-K to be dated on or about 4 November 1998. We also consent to the reference to us under the heading "Experts" in the Prospectus Supplement.

/s/ DELOITTE & TOUCHE

DELOITTE & TOUCHE  
London, England

4 November 1998

CENDANT CORPORATION  
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited pro forma consolidated financial statements give effect to the acquisition of National Parking Corporation Limited ("NPC") by Cendant Corporation ("Cendant" or the "Company"). The acquisition of NPC was accounted for under the purchase method of accounting and, accordingly, assets acquired and liabilities assumed were recorded at their estimated fair values which are subject to further refinement, including appraisals and other analyses, with appropriate recognition given to the effect of current interest rates and income taxes. Management does not expect that the final allocation of the purchase price for the NPC acquisition will differ materially from the initial allocation. The unaudited pro forma consolidated statements of income for the year ended December 31, 1997, and six months ended June 30, 1998 were presented as if the acquisition of NPC occurred on January 1, 1997. Such financial statements do not purport to present the results of operations of Cendant had the acquisition of NPC occurred on the dates specified, nor are they necessarily indicative of the operating results that may be achieved in the future.

The unaudited pro forma consolidated financial statements of Cendant are based on certain assumptions and adjustments described in the Notes to Unaudited Pro Forma Consolidated Financial Statements, as set forth herein, and should be read in conjunction therewith and with the consolidated financial statements and related notes thereto of Cendant, as included in the Company's (i) Annual Report on Form 10-K/A for the year ended December 31, 1997 which was filed with the Securities and Exchange Commission ("SEC") on September 29, 1998; and (ii) Quarterly Reports on Form 10-Q/A for the quarterly periods ended March 31, 1998 and June 30, 1998 which were filed with the Securities and Exchange Commission on October 13, 1998. The unaudited pro forma consolidated financial statements should also be read in conjunction with NPC's consolidated financial statements and related notes thereto for the 52 week period ended March 27, 1998 included herein as Exhibit 99.1.

CENDANT CORPORATION  
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 1997  
 (IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL CENDANT ----- YEAR ENDED DECEMBER 31, 1997(1) -----	HISTORICAL NPC ----- 52 WEEK PERIOD ENDED MARCH 27, 1998(2) -----	PRO FORMA ADJUSTMENTS(a) -----	PRO FORMA -----
<b>REVENUES</b>				
Membership and service fees, net .....	\$ 3,988.7	\$ 575.9		\$ 4,564.6
Fleet leasing (net of depreciation and interest costs of \$1,205.2).....	59.5	--		59.5
Other .....	191.8	22.4	\$ (0.9)(b)	213.3
Net revenues .....	4,240.0	598.3	(0.9)	4,837.4
<b>EXPENSES</b>				
Operating .....	1,322.3	371.8		1,694.1
Marketing and reservation .....	1,031.8	--		1,031.8
General and administrative .....	636.2	119.2	(8.7)(c)	746.7
Merger-related costs and other unusual charges .....	704.1	--		704.1
Depreciation and amortization .....	237.7	17.5	28.2 (d)	283.4
Interest, net .....	50.6	14.6	75.9 (e)	141.1
Total expenses .....	3,982.7	523.1	95.4	4,601.2
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST .....</b>				
Provision (benefit) for income taxes .....	257.3	75.2	(96.3)	236.2
Minority interest, net .....	191.0	42.2	(50.3)(f)	182.9
Minority interest, net .....	0.4	0.4		0.4
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS .....</b>	<b>\$ 66.3</b>	<b>\$ 32.6</b>	<b>\$ (46.0)</b>	<b>\$ 52.9</b>
<b>PER SHARE INFORMATION:</b>				
<b>INCOME FROM CONTINUING OPERATIONS</b>				
Basic .....	\$ 0.08			\$ 0.07
Diluted .....	0.08			0.06
<b>WEIGHTED AVERAGE SHARES</b>				
Basic .....	811.2			811.2
Diluted .....	851.7			851.7

(1) The following items have been reported in the Cendant historical consolidated statement of operations for the year ended December 31, 1997 but are excluded from the unaudited pro forma consolidated statement of income presented above:

Loss from discontinued operations, net of taxes	\$ (26.8)
Extraordinary gain, net of tax	26.4
Cumulative effect of accounting change, net of tax	(283.1)

(2) The historical statement of income for NPC includes certain adjustments to conform generally accepted accounting principles ("GAAP") in the United Kingdom to United States GAAP. NPC's statement of income has been converted to U.S. dollars at the average exchange rate for the twelve month period presented.

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION  
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME  
 FOR THE SIX MONTHS ENDED JUNE 30, 1998  
 (IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL CENDANT	NPC
	SIX MONTHS ENDED JUNE 30, 1998(1)(2)	FOR THE PERIOD 4/27/98 THROUGH 6/30/98(1)
<b>REVENUES</b>		
Membership and service fees--net .....	\$ 2,262.5	\$ (111.5)
Fleet leasing (net of depreciation and interest costs of \$629.7).....	39.0	
Other .....	105.8	
	-----	-----
Net revenues .....	2,407.3	(111.5)
	-----	-----
<b>EXPENSES</b>		
Operating .....	791.0	(70.3)
Marketing and reservation .....	556.0	--
General and administrative .....	299.8	(20.0)
Depreciation and amortization .....	152.4	(8.4)
Other charges:		
Merger related costs and other unusual charges .....	(24.4)	
Investigation related costs .....	19.5	
Financing costs .....	12.7	
Interest--net .....	41.9	(0.4)
	-----	-----
Total expenses .....	1,848.9	(99.1)
	-----	-----
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>		
BEFORE INCOME TAXES AND MINORITY INTEREST .....	558.4	(12.4)
Provision (benefit) for income taxes .....	199.8	(4.9)
Minority interest, net .....	19.8	(0.1)
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS .....	\$ 338.8	\$ (7.4)
	=====	=====
<b>PER SHARE INFORMATION:</b>		
<b>INCOME FROM CONTINUING OPERATIONS</b>		
Basic .....	\$ 0.40	
Diluted .....	0.38	
<b>WEIGHTED AVERAGE SHARES</b>		
Basic .....	844.8	
Diluted .....	907.8	

	HISTORICAL NPC		
	SIX MONTHS ENDED SEPTEMBER 30, 1998(3)(4)	PRO FORMA ADJUSTMENTS(a)	PRO FORMA
<b>REVENUES</b>			
Membership and service fees--net .....	\$ 294.6		\$ 2,445.6
Fleet leasing (net of depreciation and interest costs of \$629.7).....	--		39.0
Other .....	12.5	\$ (9.0)(b)	109.3
	-----	-----	-----
Net revenues .....	307.1	(9.0)	2,593.9
	-----	-----	-----
<b>EXPENSES</b>			
Operating .....	196.5		917.2
Marketing and reservation .....	--		556.0
General and administrative .....	61.2		341.0
Depreciation and amortization .....	9.2	14.1 (d)	167.3
Other charges:			
Merger related costs and other unusual charges .....	--		(24.4)
Investigation related costs .....	--		19.5
Financing costs .....	--		12.7
Interest--net .....	3.5	28.2 (e)	73.2
	-----	-----	-----
Total expenses .....	270.4	42.3	2,062.5
	-----	-----	-----
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>			
BEFORE INCOME TAXES AND MINORITY INTEREST .....	36.7	(51.3)	531.4
Provision (benefit) for income taxes .....	10.8	(14.6)(f)	191.1
Minority interest, net .....	0.2	--	19.9
	-----	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS .....	\$ 25.7	\$ (36.7)	\$ 320.4
	=====	=====	=====
<b>PER SHARE INFORMATION:</b>			
<b>INCOME FROM CONTINUING OPERATIONS</b>			
Basic .....			\$ 0.38
Diluted .....			0.36

WEIGHTED AVERAGE SHARES

Basic .....  
Diluted .....

844.8  
907.8

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- (1) Historical Cendant for the six months ended June 30, 1998 includes the financial results of NPC from April 27, 1998 (the acquisition date) through June 30, 1998.
- (2) The historical financial results of Cendant for the six months ended June 30, 1998 included a loss from discontinued operations, net of taxes, of \$12.9 million which is excluded from the unaudited pro forma consolidated statement of income presented above.
- (3) The NPC historical statement of income for the six months ended September 30, 1998 is presented exclusive of the resulting financial statement impact from the fair value adjustments that were recorded in the allocation of purchase price at the acquisition date. The impact of such fair value adjustments for the full six month period are reflected in the pro forma adjustment column.
- (4) The historical statement of income for NPC includes certain adjustments to conform generally accepted accounting principles ("GAAP") in the United Kingdom to United States GAAP. NPC's statement of income has been converted to U.S. dollars at the average exchange rate for the six month period presented.

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION  
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL STATEMENTS  
(IN MILLIONS, UNLESS OTHERWISE NOTED)

(A) ACQUISITION OF NATIONAL PARKING CORPORATION LIMITED

Certain of the underlying pro forma adjustments to the statements of income for the year ended December 31, 1997 and six months ended June 30, 1998 are calculated from the fair market value adjustments which were made in the allocation of the purchase price. The consideration paid and the fair value of net assets acquired in connection with the acquisition of NPC were as follows:

Cash consideration (i) .....	\$ 1,591.9
-----	
Fair value of net assets acquired:	
Historical net book value of NPC .....	476.8
Fair value adjustments to net assets acquired:	
Assets:	
Property and Equipment .....	(1.5)
Other Intangible .....	11.6
Other Assets .....	(3.6)
Liabilities:	
Accrued Expenses and Other (ii) .....	205.9
Deferred Income Taxes (iii) .....	(95.7)
-----	
FAIR VALUE OF IDENTIFIABLE NET ASSETS ACQUIRED .....	593.5
-----	
GOODWILL .....	\$ 998.4
=====	

- 
- (i) Cash consideration of \$1.6 billion was financed from borrowings under the Company's revolving credit facilities.
  - (ii) Primarily comprised of \$227 million of NPC indebtedness which was repaid by the Company on the date of acquisition.
  - (iii) Reflects deferred income taxes associated with the difference between the fair value of liabilities accrued and their respective tax bases.

(B) OTHER REVENUE

The pro forma adjustment reflects the elimination of gains recognized on the sale of disposed properties. As such, properties would have been adjusted to their fair market values at the acquisition date.

(C) GENERAL AND ADMINISTRATIVE

The pro forma adjustment for the year ended December 31, 1997 of \$8.7 million reflects the reversal of non-recurring professional fees incurred by NPC during the 52 week period ended March 27, 1998 directly associated with the acquisition of NPC by the Company.

(D) DEPRECIATION AND AMORTIZATION

The pro forma adjustment for depreciation and amortization is comprised of the following:

	YEAR ENDED DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	-----	-----
Elimination of historical NPC goodwill amortization .....	\$ (1.8)	\$ (0.9)
Goodwill .....	25.0	12.5
Other intangibles .....	4.6	2.3
Property and equipment .....	0.4	0.2
	-----	-----
	\$ 28.2	\$ 14.1
	=====	=====

CENDANT CORPORATION  
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)  
(IN MILLIONS, UNLESS OTHERWISE NOTED)

(D) DEPRECIATION AND AMORTIZATION (CONTINUED)

Goodwill of approximately \$1.0 billion (see note (a)) is determined to have a benefit period of forty years, which is based on NPC's position as the largest private (non municipal) car park operator in the United Kingdom ("UK") and the third largest roadside assistance company in the UK.

NPC's intangible assets represents the estimated value which has been attributed to the membership base comprising the roadside assistance portion of NPC's business. This intangible asset is amortized on an accelerated basis with amortization in the initial year calculated based on a 2.5 year benefit period. The valuation of the intangible asset was based on the historical lives and profitability of NPC's membership bases.

(E) INTEREST EXPENSE--NET

The pro forma adjustment is calculated as follows:

	YEAR ENDED DECEMBER 31, 1997	SIX MONTHS ENDED JUNE 30, 1998
	-----	-----
Elimination of historical NPC interest expense (i).....	\$ (16.7)	\$ (1.5)
Interest expense incurred on debt used to finance NPC acquisition (ii).....	92.6	29.7
	-----	-----
	\$ 75.9	\$ 28.2
	=====	=====

(i) Coincident with the acquisition of NPC, the Company repaid \$227 million of NPC indebtedness. The elimination adjustment for the year ended December 31, 1997 assumed an interest rate of 7.37% which was the weighted average interest rate on NPC borrowings for the 52 week period ended March 27, 1998. The elimination adjustment during the six months ended June 30, 1998 represents the reversal of interest expense incurred by NPC during the period March 28, 1998 through the acquisition date (April 27, 1998) which was calculated at an interest rate of 7.85%, representing the weighted average interest rate in effect for such one month period. Since NPC's six month pro forma results are through the period ended September 30, 1998, only one month of interest expense related to the \$227 million of NPC indebtedness was included in its historical results.

(ii) Reflects interest expense incurred on \$1.6 billion of borrowings under the Company's revolving credit facilities at an interest rate of 5.82% which was the weighted average variable rate in effect on the date of borrowing. The Company financed the acquisition of NPC with borrowings under its revolving credit facilities. Interest expense on the \$1.6 billion of borrowings for the six months ended June 30, 1998 was calculated from January 1, 1998 through the acquisition date (April 27, 1998). Interest expense on such borrowings subsequent to the acquisition date is included in the six month results of Historical Cendant.

(F) INCOME TAXES

The pro forma adjustment was calculated at the applicable statutory rate in effect for the periods presented with consideration given to the deductibility of the pre-tax pro forma adjustments and the relative statutory jurisdictions to which such pro forma adjustments pertain.

NATIONAL PARKING CORPORATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

As described in the basis of preparation (Note 1 on page F-7), the consolidated financial statements do not constitute the statutory financial statements of National Parking Corporation Limited and its subsidiaries (the "Group") prepared in accordance with the Companies Act 1985. A copy of the statutory financial statements of the Group are being delivered to the Registrar of Companies. The auditors' report on those financial statements was not qualified. Nevertheless, the Directors acknowledge their responsibility for the preparation of the consolidated financial statements and for ensuring that they present fairly the state of affairs of the Group as at the end of the financial period and of the profit of that Group for the 52 week period ended 27 March 1998.

The Directors consider that in preparing the consolidated financial statements on pages F-3 to F-23 the Group has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all the accounting standards which they consider to be applicable have been followed.

NATIONAL PARKING CORPORATION LIMITED

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of National Parking Corporation Limited

We have audited the accompanying consolidated balance sheet of National Parking Corporation Limited and its subsidiaries as of 27 March 1998 and the related consolidated statements of profit and loss account, cash flow and notes for the 52 week period to 27 March 1998 (the "Financial Statements") on pages F-3 to F-23. These financial statements have been prepared in accordance with generally accepted accounting principles in the United Kingdom and under the basis of preparation as set out in note 1. As described on page F-1, these consolidated financial statements are the responsibility of the company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United Kingdom which do not differ in any material respect from auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Parking Corporation Limited and subsidiaries at 27 March 1998 and the results of their operations and their cash flows for the 52 weeks ended 27 March 1998 in conformity with generally accepted accounting principles in the United Kingdom.

DELOITTE & TOUCHE  
Chartered Accountants  
and Registered Auditors

Hill House  
1 Little New Street  
London EC4A 3TR

23 October 1998

NATIONAL PARKING CORPORATION LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 27 MARCH 1998

	NOTE	1998
	-----	-----
		(pound sterling) '000
TURNOVER .....	3	350,727
Cost of sales .....	5	(233,480)
		-----
GROSS PROFIT .....		117,247
Administrative expenses .....	5	(75,742)
Other operating income (net) .....	8	12,662
		-----
OPERATING PROFIT .....		54,167
Income from fixed asset investments .....		429
Other interest receivable and similar income .....		2,497
Interest payable and similar charges .....	9	(11,367)
		-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION .....	4	45,726
Tax on profit on ordinary activities .....	10	(25,690)
		-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION .....		20,036
Minority interests .....		(247)
		-----
PROFIT FOR THE FINANCIAL PERIOD .....		19,789
Dividends paid and proposed .....	11	(3,570)
		-----
RETAINED PROFIT FOR THE FINANCIAL PERIOD .....		16,219
		=====

The result for the period reflects the continuing operations of the Group

NATIONAL PARKING CORPORATION LIMITED  
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 27 MARCH 1998

	1998
	(pound sterling) '000
PROFIT FOR THE FINANCIAL PERIOD .....	19,789
Unrealised surplus on revaluation of properties .....	20,179
Deferred tax provision on revaluation of properties .....	(2,819)
Tax credit on realisation of property revaluation surplus of previous periods .....	342
Currency differences on translation of foreign subsidiaries .....	(1,329)
	-----
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL PERIOD .....	36,162
	=====

NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES  
FOR THE PERIOD ENDED 27 MARCH 1998

	1998
	(pound sterling) '000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION .....	45,726
Realisation of property revaluation gains of previous periods .....	(216)
	-----
Historical cost profit on ordinary activities before taxation .....	45,510
	=====
HISTORICAL COST PROFIT FOR THE PERIOD RETAINED AFTER TAXATION, MINORITY INTERESTS AND DIVIDENDS .....	16,003
	=====

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS  
FOR THE PERIOD ENDED 27 MARCH 1998

	1998
	(pound sterling) '000
PROFIT FOR THE FINANCIAL PERIOD .....	19,789
Dividends .....	(3,570)
	-----
Other recognised gains and losses relating to the period (net) .....	16,219
New share capital subscribed .....	16,373
Premium on allotment of shares .....	2
	37
	-----
NET INCREASE IN SHAREHOLDERS' FUNDS .....	32,631
OPENING SHAREHOLDERS' FUNDS .....	261,478
	-----
CLOSING SHAREHOLDERS' FUNDS .....	294,109
	=====

NATIONAL PARKING CORPORATION LIMITED

CONSOLIDATED BALANCE SHEET  
AT 27 MARCH 1998

		1998	
NOTE	(pound sterling) '000	(pound sterling) '000	
<b>FIXED ASSETS</b>			
Tangible assets:			
Operating properties .....	12	367,033	
Investment properties .....	12	36,999	
Other tangible assets .....	12	16,704	
		-----	
Other fixed asset investment .....	13(a)		420,736
			2,161
			-----
			422,897
<b>CURRENT ASSETS</b>			
Properties held for resale and stocks .....	14	1,401	
Debtors falling due within one year .....	15	37,346	
Debtors falling due after one year .....	15	20	
Investments .....	13(b)	96,398	
Cash at bank and in hand .....		18,223	
		-----	
		153,388	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> .....	16	(215,816)	
		-----	
<b>NET CURRENT LIABILITIES</b> .....			(62,428)
			-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> .....			360,469
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> .....	17		(1,426)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b> .....	18		(63,792)
			-----
<b>NET ASSETS</b> .....	3		295,251
			=====
<b>CAPITAL AND RESERVES</b>			
Called up share capital .....	19		11,904
Share premium account .....	20		12,825
Revaluation reserve .....	20		223,197
Capital redemption reserve .....	20		2,801
Profit and loss account .....	20		43,382
			-----
<b>EQUITY SHAREHOLDERS' FUNDS</b> .....			294,109
<b>MINORITY INTEREST</b> .....			1,142
			-----
			295,251
			=====

NATIONAL PARKING CORPORATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 27 MARCH 1998

	NOTE	1998	
		(pound sterling) '000	(pound sterling) '000
NET CASH INFLOW FROM OPERATING ACTIVITIES .....	25		78,317
RETURN ON INVESTMENTS AND SERVICING OF FINANCE .....			
Interest received .....		2,497	
Interest paid .....		(11,367)	
Dividends received from fixed asset investments .....		399	
		-----	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE .....			(8,471)
TAXATION			
UK corporation tax paid .....			(23,982)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets .....		(9,008)	
Sale of tangible fixed assets .....		9,097	
		-----	
			89
EQUITY DIVIDENDS PAID .....			(45,228)
Cash inflow before management of liquid resources and financing .....			725
MANAGEMENT OF LIQUID RESOURCES			
Increase in current asset investments .....			(4,507)
FINANCING			
Issue of share capital .....		39	
Repayment of amounts borrowed .....		(12,500)	
		-----	
			(12,461)
			-----
DECREASE IN CASH .....	26		(16,243)
			=====

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
PERIOD ENDED 27 MARCH 1998

1. BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with applicable generally accepted accounting principles of the United Kingdom under the historical cost accounting rules, modified to include the revaluation of properties and of shares in the subsidiary company.

Generally accepted accounting principles in the United Kingdom vary in certain significant respects from generally accepted accounting principles in the United States of America.

These financial statements do not constitute the Company's statutory accounts prepared in accordance with section 227 of the Companies Act 1985.

2. ACCOUNTING POLICIES

A summary of the principal accounting policies applied in preparing these consolidated financial statements is set out below:

BASIS OF CONSOLIDATION

The consolidated financial statements include the results, assets and liabilities of the Company and each of its subsidiary companies, which make up accounts to either the last Friday in March or the 31 March annually. The principles of merger accounting under Statement of Standard Accounting Practice 23 have been adopted for the consolidation of the results of the Company with those of National Car Parks Limited and its subsidiary companies. Acquisition accounting has been adopted for all other purchases of subsidiaries. Goodwill arising on the acquisition of other subsidiaries is written off immediately on acquisition against retained profits.

TURNOVER

Group turnover comprises:

- o car park receipts, management fees receivable in the course of managing car parks on behalf of principals and motor trade sales;
- o gross rents receivable and the proceeds arising from the disposal of properties held for resale;
- o insurance premiums earned in respect of vehicle breakdown and recovery and household emergency rectification activities, together with revenue from provision of other services associated with these activities which do not require to be performed on an insured basis;
- o coach hire receipts.

PROPERTIES

(i) Operating properties

Properties which are used for the Group's trading are regarded as operating properties, and are stated in the financial statements at directors' valuation based on open market value for existing use. Provisions in respect of permanent diminutions in value of properties are charged or released directly to the profit and loss account. Surpluses and temporary deficits are taken to the revaluation reserve.

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

(ii) Investment properties

Properties which are held on a long term basis, but are not used as operating properties are regarded as investment properties and, in accordance with Statement of Standard Account Practice 19, are stated in the financial statements at directors' valuation based on open market value. Provisions in respect of permanent diminutions in value of properties are charged or released directly to the profit and loss account. Surpluses and temporary deficits are taken to the revaluation reserve.

(iii) Properties held for resale

Properties acquired with the intention of resale are stated at the lower of cost and net realisable value and are included in the financial statements within current assets.

(iv) Profit on sale of properties

The profit or loss on sale of properties represents the difference between net sale proceeds and the valuation at the last balance sheet date. A transfer is made from the revaluation reserve to the profit and loss account reserve of any surplus or deficit in respect of the property sold.

FIXED ASSETS AND DEPRECIATION

(i) Properties

Depreciation is provided on a straight line basis over the estimated useful lives of the properties after deducting the expected residual value at the end of that life. The following rates of property depreciation are applied:

Operating properties:		
Freehold (buildings only) .....		2%
Long leasehold .....		2%
Short Leasehold .....	Over the term of the lease	
Investment properties:		
Short Leasehold .....	Over the term of the lease	

Leasehold properties with an unexpired term of greater than 50 years are classified as long leasehold properties. Other leasehold properties are classified as short leasehold properties.

In accordance with Statement of Standard Accounting Practice No. 19, depreciation is not provided on freehold or long leasehold investment properties. This may be a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, the properties concerned are not held for consumption but for investment, and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is deemed necessary for the financial statements to give a true and fair view. Depreciation is only one of the factors reflected in the annual valuation of investment properties and it cannot be separately identified or quantified.

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

(ii) Other assets

Depreciation is provided on a straight line basis on other assets over their estimated useful lives at the following annual rates:

Surface car park construction costs .....	20%
Equipment, fixtures and fittings .....	20%
Computer equipment .....	33.33%
Coaches .....	10%
Other vehicles .....	25%

MAINTENANCE AND REPAIRS OF PROPERTIES

The Group is responsible for refurbishment, maintenance and repairs to all its freehold properties, except to the extent that any of them are let out on full repairing leases, and also to many of the leasehold properties, especially the long leasehold properties, where it is common for the Group, as tenant, to have full repairing obligations. The costs of carrying out refurbishment, maintenance and repairs are charged to the profit and loss account of the period during which the cost is incurred.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translations are included in the profit and loss account.

For consolidation purposes, the assets and liabilities and profit and loss accounts of overseas subsidiary undertakings are translated at the closing exchange rates. Exchange differences arising on these translations are taken to reserves.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

LEASES

Leases of land and buildings, which do not entail taking substantially all the risks and rewards of ownership of the assets, are operating leases, and the rental charges are taken to the profit and loss account on a straight line basis over the life of the lease.

PENSIONS

The Group operates defined benefit and defined contribution pension schemes. The assets of each scheme are held separately from those of the Group in independently administered funds. Contributions to the defined benefit schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Group. The amount charged against profits for the defined contribution scheme represents the contributions payable to the scheme in respect of the accounting period.

TAXATION

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise. No provision is made in respect of taxation that would arise on the disposal of the properties stated in the accounts at revalued figures where disposal is not intended in the foreseeable future.

3. SEGMENTAL INFORMATION

CLASSES OF BUSINESS	TURNOVER 1998	PRE-TAX PROFIT 1998	NET ASSETS 1998
	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000
Car parking and other property income .....	180,723	47,170	245,774
Assistance services .....	158,193	20,079	38,026
Coach activity .....	11,811	1,342	1,500
Parent Company .....	--	--	9,951
Profit on sale of properties .....	--	2,165	--
Exceptional items .....	--	(16,160)	--
Net interest payable .....	--	(8,870)	--
	-----	-----	-----
	350,727	45,726	295,251
	=====	=====	=====

Profit on sale of properties includes (pound sterling)2.0m in respect of the car parking activity and (pound sterling)0.2m in respect of the property category.

Exceptional items include (pound sterling)7.0m in respect of the car parking category, (pound sterling)0.7m in respect of the coaching category and (pound sterling)8.4m in respect of the assistance services category.

Interest receivable and payable is not allocated to activities, except for investment income arising on insurance operations, which is included within the assistance services category.

Included in assistance services is turnover of (pound sterling)15.0m from Green Flag USA.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998
	(pound sterling) '000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED:	
AFTER CHARGING:	
Auditors' remuneration:	
Audit .....	382
Other services .....	271
Depreciation and amortisation .....	9,587
Operating lease rentals on property .....	19,180
AFTER CREDITING:	
Profit on sale of fixed assets other than property .....	1,072
Rents receivable from property .....	5,772
Exchange losses on foreign currency loans .....	(82)
	=====

NATIONAL PARKING CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 PERIOD ENDED 27 MARCH 1998

5. EXCEPTIONAL COSTS

Exceptional costs of (pound sterling)16.2m have been charged to the profit and loss account.

In accordance with FRS 3, these costs have been included in administrative expenses:

	1998
	(pound sterling)
	'000
Redundancy costs and reorganisation costs .....	1,933
Systems write-off costs .....	2,565
Demerger/sale of group .....	6,300
Head office refurbishment costs .....	700
Development of brand .....	4,662
	16,160
	=====

6. REMUNERATION OF DIRECTORS

The directors who held office during the period were as follows:

- R F Hobson ..... (resigned 30 April 1998)
- Sir Donald Gosling ..... (resigned 30 April 1998)
- R D Mackenzie .....
- G Layton ..... (resigned 30 September 1998)
- J G F Flack .....
- J E Prangnell ..... (resigned 30 April 1998)

	1998
	(pound sterling)
	'000
Remuneration (excluding pension contributions) .....	1,785
	=====
Number of directors who are members of defined benefit pension schemes	No.
	--
	=====

	1998
	(pound sterling)
	'000
Remuneration, excluding pension contributions, of the highest paid director ..	639,693
	=====

During the period (pound sterling)80,000 has been accrued to contribute towards the pension fund of the highest paid director.

On 3 January 1998, J E Prangnell became a non-executive director of the Company. The compensation paid for the surrender of rights under his service contract as an executive director was (pound sterling)293,541.

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

7. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group during the period, analysed by category, was as follows:

	NUMBER OF EMPLOYEES 1998
	-----
Directors .....	6
Managerial and clerical staff .....	612
Car park operatives .....	2,504
Coach operation staff .....	457
Assistance services staff .....	610
	-----
	4,189
	=====

The aggregate payroll costs of these persons were as follows:

	1998
	-----
	(pound sterling) '000
Wages and salaries .....	52,447
Social security costs .....	4,382
Other pension costs .....	1,766
	-----
	58,595
	=====

8. OTHER OPERATING INCOME (NET)

	1998
	-----
	(pound sterling) '000
Other operating income .....	2,320
Other operating charges .....	(140)
Profit on sale of properties held as tangible fixed assets .....	2,165
Investment income -- unrealised .....	2,690
Investment income of insurance companies .....	5,627
	-----
	12,662
	=====

9. INTEREST PAYABLE AND SIMILAR CHARGES

	1998
	-----
	(pound sterling) '000
On bank loans and overdrafts .....	11,085
Associated financing costs .....	282
	-----
	11,367
	=====

NATIONAL PARKING CORPORATION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 PERIOD ENDED 27 MARCH 1998

10. TAXATION

	1998
	(pound sterling) '000
UK corporation tax at 31% .....	20,103
Under provision in previous periods .....	712
Deferred taxation charge - current .....	1,036
- prior .....	3,411
Tax credit on franked investment income .....	86
	25,348
	=====

The tax charge is high as a result of prior year corporation tax and deferred tax charges, non-recognition of deferred tax assets and expenditure not treated as deductible for taxation purposes.

The tax charge has been included in the financial statements as follows:

	1998
	(pound sterling) '000
Tax on profit on ordinary activities .....	25,690
Tax on realisation of property revaluation deficit of previous periods .....	(342)
	25,348
	=====

11. DIVIDENDS

	1998
	(pound sterling) '000
Ordinary shares:	
Interim .....	3,570
	=====

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

12. TANGIBLE FIXED ASSETS

	FREEHOLD PROPERTY	LONG-TERM LEASEHOLD PROPERTY	SHORT-TERM LEASEHOLD PROPERTY	FIXTURES, FITTINGS, EQUIPMENT AND MOTOR VEHICLES	TOTAL
	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000
GROUP					
Cost or valuation					
At 29 March 1997 .....	188,299	165,841	37,716	50,538	442,394
Additions at cost .....	1,459	--	15	7,534	9,008
Surplus on revaluation of properties .....	4,485	7,652	4,568	--	16,705
Exchange rate adjustment .....	(9)	(598)	(268)	(69)	(944)
	-----	-----	-----	-----	-----
	194,234	172,895	42,031	58,003	467,163
Disposals .....	(3,900)	(799)	(80)	(7,513)	(12,292)
Reclassifications .....	(349)	1,535	(1,535)	--	(349)
	-----	-----	-----	-----	-----
At 27 March 1998 .....	189,985	173,631	40,416	50,490	454,522
	=====	=====	=====	=====	=====
Accumulated depreciation					
At 29 March 1997 .....	--	--	--	34,115	34,115
Charge for the period .....	686	1,963	825	6,113	9,587
Write back following revaluation of properties .....	(686)	(1,963)	(825)	--	(3,474)
Exchange rate adjustment .....	--	--	--	(10)	(10)
	-----	-----	-----	-----	-----
	--	--	--	40,218	40,218
Disposals .....	--	--	--	(6,432)	(6,432)
	-----	-----	-----	-----	-----
At 27 March 1998 .....	--	--	--	33,786	33,786
	=====	=====	=====	=====	=====
Net book value					
At 27 March 1998 .....	189,985	173,631	40,416	16,704	420,736
	=====	=====	=====	=====	=====
At 28 March 1997 .....	188,299	165,841	37,716	16,423	408,279
	=====	=====	=====	=====	=====

The valuation of land and buildings may be analysed as follows:

	OPERATING PROPERTIES 1998	INVESTMENT PROPERTIES 1998
	(pound sterling) '000	(pound sterling) '000
Freehold .....	168,821	21,164
Long leasehold .....	161,056	12,575
Short leasehold .....	37,156	3,260
	-----	-----
	367,033	36,999
	=====	=====

An independent valuation as at 27 March 1998 of 219 properties, has been carried out by Grimley, Chartered Surveyors. The valuation comprises approximately 99.5% of the portfolio by value. The remaining properties have been valued as at 27 March 1998 by qualified members of the Royal Institution of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers who are employed by the Group.

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

The operating properties have been valued on the basis of open market value for existing use. Investment properties, and those elements of operating properties not dedicated to parking, are valued on an open market value basis. The revaluation has resulted in a net surplus of (pound sterling)20.2m, comprising a surplus of (pound sterling)16.7m against the previous valuation and a write back of (pound sterling)3.5m of depreciation charged in the period. The net surplus has been credited to a revaluation reserve.

Included in freehold properties is land valued at (pound sterling)80.0m which is not depreciated.

13. INVESTMENTS

(A) OTHER FIXED ASSET INVESTMENT

This investment is a 4.25% ordinary shareholding in Birmingham Airport Holdings Limited. It is intended to hold this investment for the foreseeable future and therefore these shares have been included as a fixed asset investment.

(B) CURRENT ASSET INVESTMENTS

	1998 ----- (pound sterling) '000
Listed investments .....	5
Loans and deposits .....	96,393
	----- 96,398 =====

Of the loans and deposits amounting to (pound sterling)96.4m, insurance subsidiaries held (pound sterling)89.6m at 27 March 1998.

14. PROPERTIES HELD FOR RESALE AND STOCKS

	1998 ----- (pound sterling) '000
Freehold properties held for resale .....	1,037 =====
STOCKS	
Raw materials and consumables .....	61
Finished goods and goods for resale .....	303
	----- 364 =====
Total .....	1,401 =====

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

15. DEBTORS

	1998
	-----
	(pound sterling)
	'000
AMOUNTS FALLING DUE WITHIN ONE YEAR	
Trade debtors .....	22,103
Advance corporation tax recoverable .....	2,450
Other debtors .....	3,425
Prepayments and accrued income .....	9,368
	-----
	37,346
	-----
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	
Other debtors .....	20
	-----
	37,366
	=====

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998
	-----
	(pound sterling)
	'000
Bank loans and overdrafts .....	138,065
Trade creditors .....	12,655
Other creditors including taxation and social security:	
Corporation tax .....	12,685
Other taxes .....	7,629
Social security .....	610
Accruals and deferred income .....	44,172
	-----
	215,816
	=====

Bank loans and overdrafts include a syndicated loan of (pound sterling)135m which was repayable by 16 June 2000. Following the acquisition of the Group post period end, the outstanding loan was repaid in full and has therefore been classified as a current liability as at 27 March 1998.

The interest rate at the commencement of the syndicated loan was LIBOR plus a margin of 0.45% per annum to which was added the mandatory liquid asset costs of the banks from time to time. As the Group gearing reduces, so the margin over LIBOR also reduces in accordance with a formula, with a floor of 0.25% per annum.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998
	-----
	(pound sterling)
	'000
Other creditors .....	1,426
	=====

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

18. PROVISIONS FOR LIABILITIES AND CHARGES

	PROVISION FOR WOLVERHAMPTON CAR PARK	PROVISION FOR REFURBISHMENT OF CAR PARKS	PROVISION FOR REORGANISATION AND REDUNDANCY	DEFERRED TAXATION	PROVISION FOR UNEARNED INSURANCE INCOME	TOTAL
	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000
GROUP						
Balance at 29 March 1997 .....	2,022	932	5,465	(28)	44,114	52,505
Charged to profit and loss account in the period .....	--	--	3,032	4,447	94,791	102,270
Credited to profit and loss account in the period .....	--	--	--	--	(87,669)	(87,669)
Deferred tax on revaluation surplus .....	--	--	--	2,819	--	2,819
Reclassification as current tax	--	--	--	(2,818)	--	(2,818)
Utilised in the period .....	(604)	(458)	(2,253)	--	--	(3,315)
Balance at 27 March 1997 .....	1,418	474	6,244	4,420	51,236	63,792
	=====	=====	=====	=====	=====	=====

Provision for unearned insurance income represents that part of the annual subscription premiums paid by members of Green Flag which is deferred to the next period.

A total of (pound sterling)2.0m was provided in the prior period in respect of the demolition of the Wolverhampton car park and the costs relating to increased survey and inspection programmes for the nine similarly constructed car parks in the Group's control.

The amounts provided in the financial statements for deferred taxation and the amounts not provided are as follows:

	1998	
	PROVIDED	UNPROVIDED
	(pound sterling) '000	(pound sterling) '000
Capital allowances in excess of depreciation .....	954	(1,978)
On revaluation of buildings .....	2,819	69,374
Rollover relief .....	--	12,049
Other timing differences .....	647	(1,278)
	4,420	78,167
	=====	=====

19. CALLED UP SHARE CAPITAL

	1998
	(pound sterling) '000
Authorised	
150,000,000 ordinary shares of 10p each .....	15,000
	=====
Called up, allotted and fully paid	
119,036,701 ordinary shares of 10p each .....	11,904
	=====

During the period 12,300 ordinary 10p shares were issued under the 1986 Option Scheme for a consideration of (pound sterling)39,000.

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

20. SHARE PREMIUM AND RESERVES

	SHARE PREMIUM RESERVE	REVALUATION RESERVE	CAPITAL REDEMPTION RESERVE	PROFIT AND LOSS ACCOUNT	TOTAL
	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000
GROUP					
Balance at 29 March 1997 .....	12,788	206,144	3,140	27,504	249,576
Shares issued during the period .....	37	--	--	--	37
Transfer of realised revaluation surplus .....	--	216	--	(216)	--
Tax charged on realised revaluation surplus .....	--	--	--	342	342
Retained profit for the period .....	--	--	--	16,219	16,219
Revaluation surplus .....	--	20,179	--	--	20,179
Deferred tax on revaluation surplus .....	--	(2,819)	--	--	(2,819)
Exchange rate adjustments .....	--	(523)	(339)	(467)	(1,329)
Balance at 27 March 1998 .....	12,825	223,197	2,801	43,382	282,205

The cumulative amount of goodwill resulting from acquisitions in the current and earlier financial periods which has been written off is (pound sterling)21.1m.

21. CONTINGENT LIABILITIES

Under a Group registration the Company is jointly and severally liable for the value added tax due by other Group companies. At 27 March 1998, this contingent liability amounted to (pound sterling)3.5m.

Under a Group arrangement the Group's principal bankers may utilise the bank balance of the Company to satisfy liabilities in respect of any overdrafts due to the bank by Group companies. At 27 March 1998, the Group did not have a net overdraft liability.

Certain of the Group's leasehold car parking properties are held on leases that contain full repairing obligations which, amongst other things, require the property to be handed back in good condition to the landlord at the end of the lease. Substantial costs are incurred by the Group in carrying out refurbishment, maintenance and repairs to the properties for which it has responsibility, but the possibility exists for dilapidation claims to be made by landlords in individual cases. At present it is not possible to estimate what liabilities, if any, may arise.

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

22. FINANCIAL COMMITMENTS

	1998
	-----
	(pound sterling)
	'000
CAPITAL COMMITMENTS	
Contracted for but not provided .....	4,451
	=====
Authorised but not yet contracted for .....	3,482
	=====

	1998
	LAND AND BUILDINGS
	-----
	(pound sterling)
	'000
OPERATING LEASE COMMITMENTS	
Leases which expire:	
Within one year .....	2,279
Within 2 to 5 years .....	2,009
After 5 years .....	11,997
	-----
	16,285
	=====

23. PENSION SCHEME

NATIONAL CAR PARKS PENSION FUND

Contributions to the funded defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 5 April 1997. The principal assumptions are:

(i) Existing assets are valued by discounting future income assuming reinvestment in the FT-Actuaries All Share Index and future dividend growth of equities at 4.25% per annum.

(ii) Rate of interest from investments is assumed to be 8% per annum.

(iii) Rate of earnings increase is assumed to be 6% per annum with a further 1% per annum for certain categories of members to allow for promotions.

(iv) Rate of increase in pensions in payment is assumed to be 4% per annum.

The most recent actuarial valuation showed that the market value of the schemes' assets was (pound sterling)22.2m and that the actuarial value of those assets represents 101% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The pension charge for the period was (pound sterling)1.0 m. Contributions amounting to (pound sterling)30,000 were payable to the fund and are included in creditors.

GREEN FLAG PENSION PLAN

During the year to 31 March 1998 the Group operated a funded pension scheme for the benefit of its employees, the Green Flag Pension Plan (the Pension Plan). The Pension Plan provides defined benefits for some members, based on members' final pensionable salary, and defined contribution benefits for other members. The Pension Plan is constituted under trust, and its assets are independent of the Company and the Group. An actuarial valuation of the Pension Plan is undertaken triennially by independent actuaries, and contributions are paid by Green Flag Group Limited and its subsidiary undertakings in accordance with their recommendations.

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

Prior to 31 March 1997 the Group operated a second funded pension scheme, the Green Flag Group Retirement Plan (the Retirement Plan). The assets and liabilities of the Retirement Plan were transferred into the Pension Plan on 31 March 1997, and the Retirement Plan has since been wound up.

The most recent actuarial valuation of the Pension Plan was carried out as at 31 March 1998 using the projected unit method. At the valuation date, the market value of the Pension Plan's defined benefit assets excluding additional voluntary contributions was (pound sterling)4.8m and those assets represented 96% of the Pension Plan's defined benefit liabilities in respect of past service, allowing for projected future salary increases in the case of members in service.

The most significant assumptions adopted for the valuations of the Pension Plan are summarised in the table below:

	% P.A. -----
Investment return .....	8.25
Rate of earnings increase (including promotional increases) .....	6.00
Pension increases on excess over any GMP in payment .....	3.25
Rate of dividend growth .....	4.25

The pension cost charged to the profit and loss account has been based on this valuation and is calculated so as to spread the cost of pension over the members' future working lives with the Company and Group.

The Group's pension cost for the year was (pound sterling)734,000 (1997: (pound sterling)697,000). This includes the cost of Group life assurance and an allowance for the administration expenses of the Pension Plan. An amount of (pound sterling)10,000 (1997: (pound sterling)9,000) has been included in creditors representing the cumulative difference between pension costs charged to the profit and loss account and contributions paid to the Pension Plan.

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

24. INVESTMENTS IN GROUP COMPANIES

The principal companies in which the Group's interest is more than 25% are shown below. The companies are incorporated in England and the class of shares is ordinary except where otherwise stated.

	COUNTRY OF REGISTRATION OR INCORPORATION	PRINCIPAL ACTIVITY	CLASS AND PERCENTAGE OF SHARES HELD BY GROUP
National Car Parks Limited		Car parking	100%
Europark Srl	Italy	Car parking	100%
Irish Car Parks Limited	Ireland	Car parking	100%
Beaconscross Limited		Property letting	100%
Beardmore Properties Limited		Property letting	100%
Parking Management (Investments) Limited		Property letting	100%
Regent Lion Properties Limited		Property letting	100%
Smalton Investments Limited		Property letting	100% ordinary and deferred
John Matthews Properties Limited		Property trading	100%
Townway Construction and Development Limited		Property trading	100%
Capital Logistics Limited		Coach hire	100% ordinary and cumulative redeemable convertible participating preference
Green Flag Group Limited		Assistance Services	Cumulative preferred ordinary 100% Ordinary 97% Deferred 100%
Green Flag Limited		Assistance Services	100%
Green Flag USA Inc	USA	Vehicle breakdown and recovery	94.25%
SCI APMF	France	Vehicle breakdown and recovery	100%
APMF SA	France	Vehicle breakdown and recovery	100%
Green Flag Insurance Limited	Guernsey	Pecuniary loss insurance	100%
UK Insurance Limited		Pecuniary loss insurance	Preferred ordinary 100% Ordinary 97% Deferred 100% 'A' non-cumulative preference 100% 'B' non-cumulative redeemable preference 100% 'C' non-cumulative non-voting redeemable preference 100%

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

25. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998
	-----
	(pound Sterling) '000
Operating profit .....	54,167
Depreciation charges .....	9,587
	-----
Provision for permanent diminution in value of properties .....	63,754
Profit on sale of properties .....	--
Profit on sale of other tangible fixed assets .....	(2,165)
Profit on sale of other tangible fixed assets .....	(1,072)
Amounts written off investments .....	30
Working capital movements:	
Decrease in properties held for resale and stocks .....	79
Decrease in debtors .....	683
Increase in creditors .....	10,557
Increase in provisions .....	6,839
	-----
Other items .....	18,158
	(388)
	-----
NET CASH INFLOW FROM OPERATING ACTIVITIES .....	78,317
	=====

26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1998
	-----
	(pound Sterling) '000
Decrease in cash during the period .....	(16,243)
Cash outflow from decrease in debt financing .....	12,461
Cash outflow from increase in liquid resources .....	4,507
	-----
Decrease in net debt resulting from cash flows .....	725
Translation difference .....	32
	-----
Decrease in net debt in the period .....	757
Net debt at 29 March 1997 .....	(24,201)
	-----
Net debt at 27 March 1998 .....	(23,444)
	=====

NATIONAL PARKING CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
PERIOD ENDED 27 MARCH 1998

27. ANALYSIS OF CHANGES IN NET DEBT

	AT 29 MARCH 1997	CASH FLOW	NON-CASH CHANGES	EXCHANGE MOVEMENT	AT 27 MARCH 1998
	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000	(pound sterling) '000
Cash .....	36,253	(18,023)	--	(7)	18,223
Overdrafts .....	(4,700)	1,741	(145)	39	(3,065)
Bank loan: due within one year .....	(145)	--	(134,855)	--	(135,000)
due after one year .....	(147,500)	12,500	135,000	--	--
Current asset investments .....	91,891	4,507	--	--	96,398
	(24,201)	725	--	32	(23,444)
	=====	=====	=====	=====	=====

28. ULTIMATE PARENT AND CONTROLLING COMPANY

On 27th April 1998, National Parking Corporation Limited was acquired by Cendant Corporation which is incorporated in the United States of America.