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AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT AND ACCOUNTS

30TH JUNE, 1986

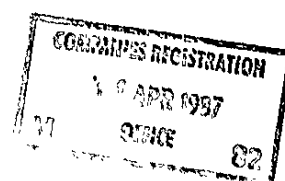


AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT AND ACCOUNTS

30TH JUNE, 1986

PEAT, MARWICK, MITCHELL & CO.
1 Puddle Dock, Blackfriars, London EC4V 3PD



PEAT, MARWICK, MITCHELL & CO.

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 30th June, 1986.

PRINCIPAL ACTIVITIES

The principal activity of the company is the renting of motor vehicles.

BUSINESS REVIEW

The year to 30th June, 1986 produced acceptable growths in both turnover and gross profit with the upward trend in profit before taxation only being affected by the interest expense relating to the prior year dividend.

The company continues to perform well in a very competitive market and has received, for the third year in succession, all of the major travel industry awards for car rental.

RESULTS

The profit on ordinary activities after taxation for the year was £4,528,936 (1985:£3,686,561) which, when added to retained earnings at 30th June, 1985, results in a consolidated balance of retained earnings at 30th June, 1986 of £18,389,091.

DIRECTORS

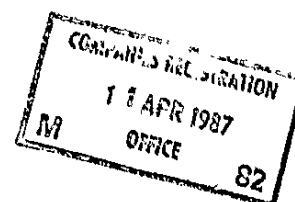
The following were directors of the Company during the year:

Mr. W.A. Cathcart (Chairman)
Mr. G. Corbett
Mr. K.G. Hanna (appointed 26th September, 1986)
Mr. J. Morley
Mr. J. Sanz
Mr. W.J. Sykes

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

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year, the company made no charitable or political donations.



AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

EMPLOYEES

The company operates an equal opportunity policy in employment and, wherever possible, will give special consideration to any disabled person who applies for employment in an existing vacancy. Where required, the company will make reasonable modifications to premises and equipment and will provide appropriate rehabilitation and training to disabled employees.

The company recognises the benefits of keeping employees informed of the progress of the business and of involving them in the company's performance. During the year employees were provided with information regarding the financial and economic factors affecting the performance of the company and on other matters of concern to them as employees. Additionally consultations took place with employee representatives so that the views of employees could be taken into account in making decisions which were likely to affect their interests.

AUDITORS

Owing to the change in ownership of the company, a decision has been taken to change auditors. Accordingly, a resolution to appoint Messrs. Price, Waterhouse & Co. as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the board,



Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF
AVIS RENT A CAR LIMITED

We have audited the accounts on pages 4 to 16, in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on pages 7 and 8, give a true and fair view of the state of affairs of the group and of the company at 30th June, 1986 and of the group's profit and source and application of funds for the year to that date and comply with the Companies Act 1985.

LONDON

10th February, 1987

Pearl Marsh Mitchell & Co

Chartered Accountants

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 1986

	<u>Note</u>	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
TURNOVER	2	39,092,615	37,041,586
Cost of sales		(26,469,846)	(25,133,444)
GROSS PROFIT		<u>12,622,769</u>	<u>11,908,142</u>
Distribution costs		(3,195,509)	(2,328,032)
Administrative expenses		(4,137,245)	(3,450,858)
Interest payable and similar charges	5	(291,950)	(87,080)
TRADING PROFIT ON ORDINARY ACTIVITIES		<u>4,998,065</u>	<u>6,042,272</u>
Foreign exchange gain/(loss)		12,644	(18,583)
Share of associated companies' profit		1,512,731	1,150,916
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>6,523,440</u>	<u>7,174,505</u>
Tax on profit on ordinary activities	6	(1,994,504)	(3,487,944)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>4,528,936</u>	<u>3,686,561</u>
Dividend paid		-	(9,100,000)
RETAINED PROFIT/(LOSS) FOR FINANCIAL YEAR		<u><u>4,528,936</u></u>	<u><u>(5,413,439)</u></u>
<u>STATEMENT OF RETAINED PROFITS/RESERVES</u>			
Retained profit/(loss) for the year		4,528,936	(5,413,439)
Retained reserves at beginning of year:			
As previously reported		10,831,491	16,648,074
Prior year adjustment (see note 1)		3,028,664	2,625,520
As restated		<u>13,860,155</u>	<u>19,273,594</u>
Retained reserves at end of year		<u><u>18,389,091</u></u>	<u><u>13,860,155</u></u>

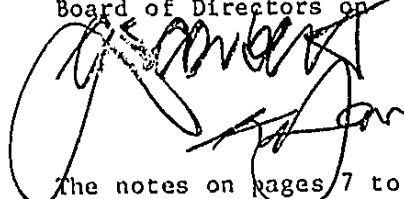
The notes on pages 7 to 16 form part of these accounts.

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

BALANCE SHEET AT 30TH JUNE, 1986

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>1986</u>	<u>1985</u>	<u>1986</u>	<u>1985</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Vehicles	7	22,026,572	27,303,132	22,026,572	27,303,132
Property & Equipment	8	1,787,298	1,698,587	1,787,298	1,698,587
Investments	9	1,282,930	1,708,616	691,309	691,309
		<u>25,096,800</u>	<u>30,710,335</u>	<u>24,505,179</u>	<u>29,693,028</u>
CURRENT ASSETS					
Debtors	10	36,249,396	25,978,876	36,249,396	25,978,876
Cash at bank and in hand		4,913,696	10,124,322	4,913,696	10,124,322
		<u>41,163,092</u>	<u>36,103,198</u>	<u>41,163,092</u>	<u>36,103,198</u>
Creditors: amounts falling due within one year	11	(40,628,625)	(29,305,473)	(40,837,520)	(29,514,368)
NET CURRENT ASSETS		<u>534,467</u>	<u>6,797,725</u>	<u>325,572</u>	<u>6,588,830</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		25,631,267	37,508,060	24,830,751	36,281,858
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	-	(17,167,141)	-	(17,167,141)
PROVISION FOR LIABILITIES AND CHARGES	12	(5,908,743)	(5,147,331)	(5,908,743)	(5,147,331)
NET ASSETS		<u>19,722,524</u>	<u>15,193,588</u>	<u>18,922,008</u>	<u>13,967,386</u>
CAPITAL AND RESERVES					
Called up share capital	13	1,250,100	1,250,100	1,250,100	1,250,100
Share premium account	14	83,333	83,333	83,333	83,333
Profit and loss account	14	18,389,091	13,860,155	17,588,575	12,633,953
		<u>19,722,524</u>	<u>15,193,588</u>	<u>18,922,008</u>	<u>13,967,386</u>

These accounts were approved by the
Board of Directors on 10th February, 1987

)
) Directors

The notes on pages 7 to 16 form part of these accounts.

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH JUNE, 1986

	<u>1986</u> £	<u>1985</u> £
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	6,523,440	7,174,505
Adjustments for items not involving the movement of funds:		
Depreciation	7,816,685	6,925,300
(Surplus)/deficit on sale of tangible fixed assets	(471,575)	582,377
Share of associated companies' profit	(1,512,731)	(1,150,916)
	<u>12,355,819</u>	<u>13,531,266</u>
FUNDS GENERATED FROM OPERATIONS		
FUNDS FROM OTHER SOURCES		
Proceeds on disposal of vehicles, property and equipment	30,349,578	20,498,591
Dividends received from associated companies	1,395,025	443,113
	<u>31,744,603</u>	<u>20,941,704</u>
	<u>44,100,422</u>	<u>34,472,970</u>
APPLICATION OF FUNDS		
Purchases of vehicles, property and equipment	32,506,839	28,251,193
Tax payments	230,119	4,061,612
Dividend paid	-	9,100,000
Decrease in long-term liabilities	17,167,141	3,442,289
	<u>49,904,099</u>	<u>44,855,094</u>
INCREASE/(DECREASE) IN WORKING CAPITAL	<u>(5,803,677)</u>	<u>(10,382,124)</u>
COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL		
Debtors	10,391,573	(7,984,490)
Creditors falling due within one year	15,681,126	(12,757,750)
	<u>26,072,699</u>	<u>(20,742,240)</u>
MOVEMENT IN NET LIQUID FUNDS		
Cash at bank and in hand	(5,210,626)	9,195,092
Bank loans and overdrafts	(26,665,750)	1,165,024
	<u>(5,803,677)</u>	<u>(10,382,124)</u>

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting

The company prepares its financial statements on the historical cost basis of accounting.

Basis of consolidation

The consolidated balance sheet comprises the assets and liabilities of Avis Rent A Car Limited and its subsidiaries.

Associated companies

Companies in which the group has an interest comprising not less than 10% of the equity capital and in respect of which it is in a position to exercise significant influence over commercial and operating policy decisions, are treated as associated companies. The consolidated profit and loss account includes the appropriate share of these companies' profits. The group's share of the post acquisition retained profits and reserves is added to the cost of the investment in the consolidated balance sheet.

The company has taken advantage of the exemption contained in the Companies Act 1985 from presenting its own profit and loss account.

Vehicles

Vehicles are stated at cost after deducting all trade discounts and the net purchase rebate accruing during the year. Purchase rebates which depend on the future volume of purchases are credited to income over the average depreciable lives of the vehicles and the deferred element is deducted from the cost of vehicles on the balance sheet.

Depreciation is based on estimates of future residual value and depreciation rates vary between 15% and 60% per annum.

Leased assets

Expenditure on operating leases is charged to the profit and loss account on the basis on which rentals accrue.

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

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AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

Property and computer equipment

Depreciation is calculated to write down the cost of fixed assets to their estimated residual value in equal instalments over their estimated economic lives at the following rates:

Freehold land and buildings	2.7% p.a.
Leasehold property and improvements	3% - 33% p.a.
Furniture and computer equipment	20% - 33% p.a.

Deferred taxation

The policy followed in accounting for deferred taxation, which in prior years was calculated under the deferral method, was changed during the year and deferred taxation is now accounted for under the liability method. The change arises as a result of the adoption of the revised SSAP 15 which became effective for accounting periods beginning on or after 1st April, 1985. The over-provision for deferred taxation, under the new policy, carried forward at 30th June, 1985 amounted to £3,028,664. In restating the results for 1985 on the basis of the new policy the charge for deferred taxation has been reduced by £403,144, being the effect of calculating timing differences arising in that year at the rate at which they will reverse rather than the rates at which they arise. The remainder of £2,625,520, relating to 1984 and earlier years, has been credited against retained profits brought forward at the beginning of the year ended 30th June, 1985.

Foreign currency

Profit and loss items transacted in foreign currencies are recorded in sterling at exchange rates ruling at the transaction date. Assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at the balance sheet date. All exchange differences are reflected in the profit and loss account.

Turnover

Turnover consists primarily of invoiced amounts in respect of motor vehicle rental income, together with sales of fuel and accessories net of value added tax, discounts and commissions.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>Turnover</u>		<u>Profit before taxation</u>	
	<u>1986</u>	<u>1985</u>	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Short-term car and van rental	<u>39,092,615</u>	<u>37,041,586</u>	<u>6,523,440</u>	<u>7,174,505</u>

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED AFTER CHARGING/(CREDITING):

	<u>1986</u> £	<u>1985</u> £
Staff costs (see note 4)	7,436,244	6,344,783
Depreciation on vehicles	7,015,935	6,339,403
Depreciation on property and equipment	800,750	585,897
(Surplus)/deficit on sale of vehicles, property and equipment	(471,575)	582,377
Other operating income	(953,327)	(686,597)
Auditors' remuneration	32,000	33,178
Operating lease rentals in respect of hire of vehicles	<u>1,312,963</u>	<u>1,926,982</u>

4. DIRECTORS AND EMPLOYEES

The average number of persons (including directors) employed by the company during the year was:

	<u>1986</u>	<u>1985</u>
Operations	489	445
Sales	52	49
Administration and finance	148	134
	<u>689</u>	<u>628</u>

Staff costs:

	<u>1986</u> £	<u>1985</u> £
Wages and salaries	6,656,465	5,695,993
Social security costs	654,756	578,983
Other pension costs	81,412	60,721
Severance pay	43,611	9,086
	<u>7,436,244</u>	<u>6,344,783</u>

The remuneration paid to directors was:

	£	£
Remuneration as executives	<u>62,240</u>	<u>53,282</u>
Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:	£	£
Chairman	-	-
Highest paid director	<u>62,240</u>	<u>53,282</u>

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

4. DIRECTORS' AND EMPLOYEES (continued)

The number of other directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	<u>1986</u>	<u>1985</u>
£0 - £ 5,000	4	4

The number of employees whose emoluments, excluding pension contributions, fell within the following ranges was:

£30,001 - £35,000	-	1
£35,001 - £40,000	1	-

5. INTEREST PAYABLE

	<u>1986</u> £	<u>1985</u> £
Interest charged:		
On bank loans and overdrafts repayable within 5 years	40,929	27,963
Applicable to vehicle financing	3,040,868	2,746,692
Other	-	6,824
	<u>3,081,797</u>	<u>2,781,479</u>
Interest received:		
From related companies	(2,117,584)	(2,198,044)
From bank deposits	(672,263)	(495,574)
Other	-	(781)
	<u>291,950</u>	<u>87,080</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1986</u> £	<u>1985</u> £
U.K. corporation tax at 38.75% (1985:43.75%):		
Current	3,713,816	638,677
Deferred	(1,822,654)	1,682,826
Adjustment in respect of prior years		
Current	(550,630)	61,555
Deferred	110,580	592,038
	<u>1,451,112</u>	<u>2,975,096</u>
Tax on profits of associated company	543,392	512,848
	<u>1,994,504</u>	<u>3,487,944</u>

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

7. VEHICLES

	<u>Group and Company</u> <u>£</u>
Cost:	
At 1st July, 1985	29,538,712
Additions	31,617,378
Disposals	(38,260,338)
	<u>22,895,752</u>
At 30th June, 1986	
Accumulated depreciation:	
At 1st July, 1985	(2,235,580)
Charge for the year	(7,015,935)
Eliminated in respect of disposals	8,382,335
	<u>(869,180)</u>
At 30th June, 1986	
Net book value:	
At 30th June, 1986	<u>22,026,572</u>
At 30th June, 1985	<u>27,303,132</u>

8. PROPERTY AND EQUIPMENT

Group and company:

	<u>Freehold land and buildings</u> <u>£</u>	<u>Furniture and computer equipment</u> <u>£</u>	<u>Leasehold property and improvements</u> <u>£</u>	<u>Total</u> <u>£</u>
Cost:				
At 1st July, 1985	54,935	2,220,653	1,424,322	3,699,910
Additions	-	622,359	267,102	889,461
Disposals	-	(121,418)	(51,795)	(173,213)
	<u>54,935</u>	<u>2,721,594</u>	<u>1,639,629</u>	<u>4,416,158</u>
At 30th June, 1986				
Depreciation:				
At 1st July, 1985	(22,170)	(951,559)	(1,027,594)	(2,001,323)
Charge for the year	(1,497)	(647,921)	(151,332)	(800,750)
Eliminated in respect of disposals	-	121,418	51,795	173,213
	<u>(23,667)</u>	<u>(1,478,062)</u>	<u>(1,127,131)</u>	<u>(2,628,860)</u>
At 30th June, 1986				
Net book value:				
At 30th June, 1986	<u>31,268</u>	<u>1,243,532</u>	<u>512,498</u>	<u>1,787,298</u>
At 30th June, 1985	<u>32,765</u>	<u>1,269,094</u>	<u>396,728</u>	<u>1,698,587</u>

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

9. INVESTMENTS

	<u>Group</u> £	<u>Company</u> £
Shares at cost		
Associated companies:		
At 1st July, 1985 and 30th June, 1986	491,309	491,309
Subsidiary companies:		
At 1st July, 1985 and 30th June, 1986	-	200,000
Share of profits of associated companies from date of acquisition less dividends received:		
At 1st July, 1985	1,217,307	-
Current year	(425,686)	-
At 30th June, 1986	<u>791,621</u>	<u>-</u>
Summary		
At 30th June, 1986	<u>1,282,930</u>	<u>691,309</u>
At 30th June, 1985	<u>1,708,616</u>	<u>691,309</u>

The company holds more than 10% of the equity of the following companies:

<u>Name</u>	<u>Country of incorporation</u>	<u>Holding</u>	<u>Proportion held at 30th June, 1986</u>	<u>30th June, 1985</u>
Avis Car Leasing Limited	UK	Ordinary shares	50%	50%
Sogen Avis S.A.	France	Ordinary shares	12½%	12½%
Avis Truck Leasing Limited (non trading)	UK	Ordinary shares	100%	100%
Barcelsure Limited (non trading)	UK	Ordinary shares	100%	100%
Victor Britain Limited (non trading)	UK	Ordinary shares	100%	100%
Avis Pension Trustees Limited	UK	Ordinary shares	100%	100%
Avis Financial Services Limited (non trading)	UK	Ordinary shares	100%	-
Equity Investments Services Limited (non trading)	UK	Ordinary shares	100%	-

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

10. DEBTORS

	<u>Group and Company</u>	
	<u>1986</u>	<u>1985</u>
	£	£
Amounts falling due within one year:		
Trade debtors	9,580,131	10,909,866
Amounts owed by group companies	25,390,387	13,547,558
Prepayments and accrued income	1,278,878	1,521,452
	<u>36,249,396</u>	<u>25,978,876</u>

11. CREDITORS

	<u>Group</u>		<u>Company</u>	
	<u>1986</u>	<u>1985</u>	<u>1986</u>	<u>1985</u>
	£	£	£	£
Amounts falling due within one year:				
Bank loans and overdrafts	28,250,365	1,584,615	28,250,365	1,584,615
Trade creditors	1,019,283	4,919,420	1,019,283	4,919,420
Amounts owed to group companies	3,411,570	4,063,501	3,620,465	4,272,396
Other creditors including tax and social security	1,659,363	1,068,190	1,659,363	1,068,190
Accruals and deferred income	6,288,044	4,978,875	6,288,044	4,978,875
Current portion of lease debt	-	12,690,872	-	12,690,872
	<u>40,628,625</u>	<u>29,305,473</u>	<u>40,837,520</u>	<u>29,514,368</u>
Other creditors including tax and social security:				
Corporation tax	338,528	-	338,528	-
Other taxes	860,407	755,938	860,407	755,938
Social security	460,428	312,252	460,428	312,252
	<u>1,659,363</u>	<u>1,068,190</u>	<u>1,659,363</u>	<u>1,068,190</u>
Amounts falling due after more than one year:				
Non current portion of lease debt	-	17,167,141	-	17,167,141

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

12. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation:

	<u>Group and Company</u>	
	<u>1986</u>	<u>1985</u>
	£	£
Tax effect of timing differences arising from:		
Excess of tax allowances over depreciation	6,692,600	9,028,498
Other	48,986	(574,838)
Recoverable Advance Corporation Tax	(832,843)	(3,306,329)
	<u>5,908,743</u>	<u>5,147,331</u>

The movements on the provision for deferred taxation are as follows:

	<u>Group and Company</u>
	£
Provision at 1st July, 1985	8,175,995
Tax effect of prior year adjustment	(3,028,664)
	<u>5,147,331</u>
Transfer from profit and loss account:	
Current year	(1,822,654)
Prior year	110,580
Recoverable Advance Corporation Tax	2,473,486
Provision at 30th June, 1986	<u>5,908,743</u>

13. CALLED UP SHARE CAPITAL

	<u>1986</u>	<u>1985</u>
	£	£
Authorised		
1,250,100 ordinary shares of £1 each	<u>1,250,100</u>	<u>1,250,100</u>
Allotted, issued and fully paid		
1,250,100 ordinary shares of £1 each	<u>1,250,100</u>	<u>1,250,100</u>

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

14. SHARE PREMIUM ACCOUNT AND RESERVES

	<u>Group and company Share premium £</u>	<u>Group Profit and loss account £</u>	<u>Company Profit and loss account £</u>
At 1st July, 1985 as previously stated	83,333	10,831,491	9,605,289
Prior year adjustment	-	3,028,664	3,028,664
At 1st July, 1985 restated	<u>83,333</u>	<u>13,860,155</u>	<u>12,633,953</u>
Retained profit for year	-	4,528,936	4,954,622
At June 30th, 1986	<u><u>83,333</u></u>	<u><u>18,389,091</u></u>	<u><u>17,588,575</u></u>
Retained by the holding company		17,588,575	
Retained by the subsidiaries		8,895	
Retained by the associated companies		791,621	
		<u><u>18,389,091</u></u>	

15. PENSION COMMITMENTS

The company has a pension fund, membership of which is optional for employees employed prior to 1st January, 1974 and compulsory for those employed thereafter.

An actuarial valuation of the fund by the Wyatt Company on 1st July, 1985 indicated that:

- (1) the assets of the fund would have been more than sufficient to provide in full the accrued benefits based on service to and salaries at the valuation date, and
- (2) the recommended employer's contribution rate would be sufficient to meet the emerging liabilities of the fund as they fall due.

AVIS RENT A CAR LIMITED
AND SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

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16. CAPITAL COMMITMENTS

	<u>1986</u> £	<u>1985</u> £
Capital expenditure contracted for but not provided for in the financial statements	<u>58,513</u>	<u>239,000</u>
Capital expenditure authorised by the directors but not yet contracted for	<u>-</u>	<u>-</u>

In addition the company has placed purchase orders for 937 vehicles at an approximate cost of £5,643,185 (1985:262 vehicles, £1,950,000).

The company has commitments under operating leases to make payments totalling £1,093,311 in the year to 30th June, 1987 (1986:£535,354) as follows:

	<u>1987</u> £	<u>1986</u> £
Expiring: Within one year	<u>1,093,311</u>	<u>535,354</u>

17. ULTIMATE HOLDING COMPANY

At 30th June, 1986, the ultimate holding company was B.C.I. Holdings Inc., incorporated in the United States of America. However, on 12th July, 1986, Avis Rent A Car Limited was sold to Wesray Rent A Car Inc., incorporated in New York, USA. Avis Europe plc subsequently became the ultimate holding company following its floatation by Wesray Rent A Car Inc.