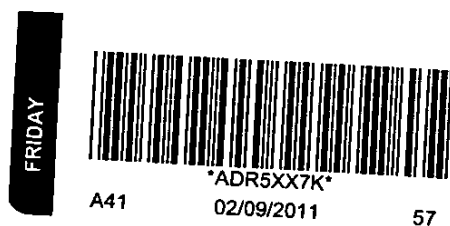


Europcar UK Limited

Annual report and financial statements  
for the year ended 31 December 2010

Registered number 00875561



# **Europcar UK Limited**

## **Annual report and financial statements for the year ended 31 December 2010**

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# **Europcar UK Limited**

## **Directors and advisors**

### **Directors**

R Girona Tome  
S Johnson  
K McCall

### **Company secretary**

Jane M Colton

### **Independant auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
10 Bricket Road  
St Albans  
Herts  
AL1 3JX

### **Bankers**

National Westminster Bank plc  
72 – 74 High Street  
Watford  
WD1 2BQ

### **Registered office**

James House  
55 Welford Road  
Leicester  
LE2 7AR

# **Europcar UK Limited**

## **Directors' report for the year ended 31 December 2010**

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

### **Principal activities**

The principal activity of the company, registered number 00875561, was self-drive vehicle hire in the UK until 31 March 2010. On 1 April 2010, as part of a group wide reorganisation, the company's fellow group undertaking, Europcar Group UK Limited, acquired the trade and assumed certain assets and liabilities of the company (note 2). From the 1 April 2010, the company now operates as a holding company.

### **Review of the business**

The loss for the financial year amounted to £10,258,000 (2009 £2,216,000 profit). The audited financial statements for the year ended 31 December 2010 are set out on pages 7 to 27.

### **Principal risks**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to external market factors which affect the demand for car hire through reduced tourist or business travel.

### **Key performance indicators**

The company's performance is closely monitored by its parent company through monthly management reporting. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary. Further information on the Europcar business, market/operational overview and key performance indicators will be available in the group's annual report which does not form part of this report.

### **Dividends**

The directors do not propose the payment of a dividend (2009 £ nil).

### **Directors**

The directors who held office during the year and subsequently were as follows:

R Girona Tome  
S Johnson (appointed 1 April 2010)  
K McCall (appointed 22 November 2010)  
S Catania (resigned 1 April 2010)  
M Cotterill (resigned 30 November 2010)  
J S Leigh (resigned 31 December 2010)

### **Political and charitable contributions**

Charitable donations totalling £nil (2009 £ nil) were made during the year. No political donations were made during this or the previous year.

## **Europcar UK Limited**

### **Directors' report for the year ended 31 December 2010 (continued)**

#### **Creditor payment policy and practice**

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.

#### **Employees**

Our company ensures two way communication by having management briefings. These briefings are presented by our directors to the management team, who then cascade the information presented via team meetings. Any feedback from these meetings is co-ordinated by our internal communications team and any questions raised are responded to accordingly. We also ensure information is provided to our team through our weekly e-newsletter and through our intranet.

Our team is encouraged to share feedback through the annual colleague survey and also via our company suggestion scheme. This is evident through the launch of our 'one programme', which was developed from colleague feedback received through focus groups and surveys.

Our company is also fully committed to equal opportunities. Specifically we are committed to making reasonable adjustments to ensure the fair consideration of applications from disabled people. This commitment extends throughout employment in relation to training and development, as well as making any reasonable adjustment to enable the completion of any work.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company continues in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## **Europcar UK Limited**

### **Directors' report for the year ended 31 December 2010 (continued)**

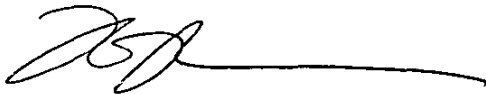
#### **Provision of Information to Auditors**

As far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and the Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

#### **Independent auditors**

The Company has by elective resolution dispensed with the obligation to appoint auditors, annually in accordance with the Companies Act 2006. Therefore, the Auditors, PricewaterhouseCoopers LLP, will be deemed to be reappointed for each succeeding financial year

By order of the Board



S Johnson  
Director  
28th April 2011

## **Independent auditors report to the shareholders of Europcar UK Limited**

We have audited the financial statements of Europcar UK Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## **Independent auditors report to the shareholders of Europcar UK Limited (continued)**

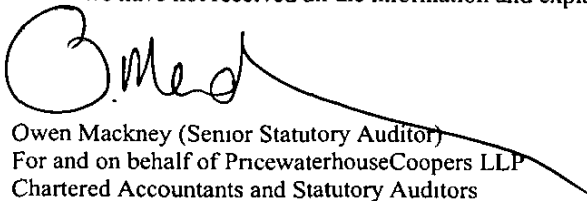
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Owen Mackney (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans  
28 April 2011



## Europcar UK Limited

### Profit and loss account for the year ended 31 December 2010

	Notes	2010 £000	2009 £000
<b>Turnover</b>	3	<b>25,128</b>	115,323
Cost of sales		(16,552)	(55,303)
<b>Gross profit</b>		<b>8,576</b>	60,020
Distribution costs		(6,921)	(22,902)
Administrative expenses		(4,777)	(35,574)
Other operating income	4	359	1,990
<b>Operating (loss)/profit</b>	5	<b>(2,763)</b>	3,534
Income from shares in group undertakings		-	7,000
Net interest payable	8	(11,439)	(10,814)
<b>Loss on ordinary activities before taxation</b>		<b>(14,202)</b>	(280)
Tax on loss on ordinary activities	9	3,944	2,496
<b>(Loss)/profit on ordinary activities after taxation</b>	23	<b>(10,258)</b>	2,216

The operations of the company have been discontinued

The company has no recognised gains or losses other than those reflected in the profit and loss account and there is no material difference between the above results and those reported on an unmodified historical cost basis

On 1 April 2010, Europcar Group UK Limited acquired the trade and assumed certain assets and liabilities of the company (note 2)

A reconciliation of shareholders' funds and movement on reserves is shown in note 23 to the financial statements

# Europcar UK Limited


## Balance sheet as at 31 December 2010

	Notes	2010 £000	2009 £000
<b>Fixed assets</b>			
Intangible assets	10	-	1,943
Tangible fixed assets	11	550	6,848
Investments	12	156,403	156,403
		<b>156,953</b>	<b>165,194</b>
<b>Current assets</b>			
Stocks	13	-	359
Debtors amounts falling due within one year	14	31,273	27,290
Debtors amounts falling due after more than one year	14	1,832	9,140
Cash at bank and in hand	15	29,504	59,715
		<b>62,609</b>	<b>96,504</b>
<b>Creditors: amounts falling due within one year</b>	16	<b>(3,494)</b>	<b>(31,607)</b>
<b>Net current assets</b>		<b>59,115</b>	<b>64,897</b>
<b>Total assets</b>		<b>216,068</b>	<b>230,091</b>
<b>Creditors amounts falling due after more than one year</b>	17	<b>(169,789)</b>	<b>(167,088)</b>
<b>Provisions for liabilities and charges</b>	18	<b>(1,398)</b>	<b>(7,864)</b>
<b>Net assets</b>		<b>44,881</b>	<b>55,139</b>
<b>Capital and reserves</b>			
Called up share capital	21	24,936	24,936
Profit and loss account	22	19,945	30,203
<b>Total shareholders' funds</b>	23	<b>44,881</b>	<b>55,139</b>

On 1 April 2010, Europcar Group UK Limited acquired the trade and assumed certain assets and liabilities of the company (note 2)

The financial statements on pages 7 to 27 were approved by the board of directors on 28 April 2011 and signed on its behalf by

  
K McCall  
Director

  
S Johnson  
Director

Company registered number 00875561

The accompanying notes form an integral part of these accounts

# Europcar UK Limited

## Notes to the financial statements for the year ended 31 December 2010

### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Consolidated financial statements have not been prepared as the company has taken advantage of the exemption provided in the Companies Act 2006, as the company is a wholly owned subsidiary of a parent incorporated within the European Community.

#### Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1, Cash Flow statements ("FRS 1") from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

#### Goodwill and amortisation

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of net assets acquired) arising in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its useful life, which is considered to be 10 years (note 10).

#### Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost less any rebates received and net of any depreciation and provisions for impairment. The benefit of rebates is spread evenly over the estimated useful life of each asset.

Freehold land is not depreciated. For all other tangible fixed assets, depreciation is provided to write off the cost less the estimated residual value by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	50 years
Leasehold land and buildings	-	over the period of the lease
Rental fleet	-	Shorter of the useful economic life and lease term
Fixtures and fitting and equipment	-	between 2 and 10 years

#### Fixed asset investment

Fixed asset investments (including direct costs of acquisition) are recorded at cost less impairment.

# **Europcar UK Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

### **1 Accounting policies (continued)**

#### **Research and development**

Research and development expenditure are written off as 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 translation are included in the profit and loss account.

#### **Leases**

Assets acquired under finance leases are capitalised at their fair value and the outstanding future lease obligations are shown in creditors due within or after one year as appropriate. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease to represent a constant proportion of the balance of capital repayment outstanding.

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Rental fleet that are subject to sale and leaseback arrangements, where vehicles are initially purchased from the manufacturers are sold to a bank/finance company and leased back over their useful economic lives to the company. The substance of these transactions is that the company retains ownership and therefore the vehicles are capitalised and included in rental fleet and the liability is included in the obligations under finance lease creditors.

#### **Pension costs**

The group operates a defined contribution pension scheme (see note 24). The assets of the schemes are held separately from those of the group. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Stocks**

Stocks relate to fuel held for resale and are stated at the lower of cost and net realisable value.

#### **Taxation**

Where taxable profits arise, corporation tax is provided at the current rate. Where possible, the company will take advantage of group relief provisions to offset taxable profits or taxable against taxable losses or taxable profits arising in other group undertakings during the period.

Deferred taxation (which arises from differences in the timing of the recognition of items in the financial statements and by the tax authorities) has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits are uncertain. Deferred tax assets and liabilities recognised have not been discounted.

#### **Franchising**

Turnover includes initial franchise fees and ongoing royalty revenues based on sales made by franchisees. Initial franchise fees are recognised in the year in which they are received.

# **Europcar UK Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

### **1 Accounting policies (continued)**

#### **Finance costs**

Finance costs relating to the granting of banking facilities have been deducted from the loan value and are being amortised over the term of the facility

#### **Insurance recoveries**

Accident costs recoverable from customers and customers' insurance companies are credited to the profit and loss account when the accident cost is charged. The corresponding asset is recorded net of any provisions to the extent that recovery is expected.

#### **Provisions for liabilities and charges**

Provisions are recognised by the company when three criteria are met: (i) the company has a constructive or legal obligation as a result of a past event, (ii) it is probable that a transfer of economic benefit will be required to settle the obligation, and (iii) a reliable estimate of the obligation can be made.

#### **Third party liabilities and claims**

Provision is made for the estimated value of uninsured losses from both known and incurred but not reported third party claims on an actuarially determined basis. Where these claims are expected to be settled over a longer period of time, the provision made represents the present value of the expenditures expected to be required to settle the obligation. The remaining balance of funds (including earned interest income) advanced to insurance agents in order to settle future claims are held as an insurance prepayment within debtors. Any excess of this prepayment over the estimated liabilities is subject to an assessment of recoverability, and provision is made as appropriate.

#### **Turnover**

Turnover represents the amounts (excluding value added tax and net of discounts) derived from self-drive vehicle hire and the provision of related services to third party customers and is recognised over the duration of the hire period.

Turnover includes the revenue derived from vehicle hire services provided to customers by third parties for which the company performs a referral, invoicing and credit control function.

Income derived from leasing vehicles to third parties on operating leases is recognised in turnover on a straight-line basis over the life of the lease.

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 2 Group reorganisation

On 1 April 2010, Europcar Group UK Limited acquired the trade and assumed the following assets and liabilities of the company. No taxation arose on the transfer.

	2010
	£000
Goodwill (note 10)	1,862
Cash at bank and in hand	5,579
Tangible fixed assets (note 11)	4,179
Stock	298
Debtors: amounts falling due within one year	36,496
Creditors: amounts falling due within one year	(39,721)
Provisions for liabilities and charges (note 18 (b))	(6,861)
Net assets assumed by Europcar Group UK Limited (note 14)	1,832

#### 3 Turnover and segmental analysis

All turnover arose in the UK in 2010 and 2009. Turnover by class of business has not been disclosed as the directors consider that the disclosure of such information would be prejudicial to the interests of the company.

#### 4 Other operating income

	2010	2009
	£000	£000
Other operating income	359	1,990

Other operating income comprises amounts received from third parties in respect of promotional and marketing arrangements and advertising support.

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 5 Operating profit

This is stated after charging

	2010	2009
	£000	£000
Depreciation of owned fixed assets	335	1,275
Depreciation of assets held under finance leases	946	10,638
	1,281	11,913
Amortisation of intangible fixed assets	81	325
Operating lease rentals - land and buildings	1,904	8,568
- other leased assets (including vehicles)	859	2,522

During the year the company obtained the following services from the company's auditor and its associates

	2010	2009
	£000	£000
Fees payable to company auditor for the audit of the financial statements	36	120
Other services pursuant to legislation	-	-
	36	120

During the year the company incurred restructuring costs of £300,000 (2009 £4,227,000) as a result of the integration of the company's operations with Europcar Group UK Limited, a subsidiary undertaking. These restructuring costs have been analysed as follows:

	2010	2009
	£000	£000
Property related costs	-	1,673
Redundancy	-	282
Professional fees in relation to restructuring and operational improvement	300	2,100
Other	-	172
	300	4,227

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 6 Staff costs

The average number of persons employed by the group (including directors) during the year, analysed by category, were as follows

	2010	2009
	No	No
Operations	-	-
Sales and administration	-	-
	-	-

	2010	2009
	£000	£000
Wages and salaries	6,102	23,301
Social security costs	200	848
Pension costs	77	337
	6,379	24,486

The above current year costs relate to employees of Europcar Group UK Limited, a fellow group undertaking. These costs have been recharged to the company as they relate to activities performed wholly for the benefit of the company for the period to 31 March 2010 (note 2)

#### 7 Directors' emoluments

	2010	2009
	£000	£000
Aggregate emoluments	469	385
Contributions to defined contribution pension scheme	40	28
	509	413

The emoluments, excluding pension contributions, of the highest paid director were £469,000 (2009 £385,000). The compensation for the loss of office of £188,000 (2009 £ nil) has been included in the emoluments noted above.



## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 8 Net interest payable

	2010	2009
	£000	£000
<b>a) Interest receivable and similar income</b>		
Bank interest	388	3,136
Group undertakings	1,112	46
	<b>1,500</b>	<b>3,182</b>
<b>b) Interest payable and similar charges</b>		
Bank overdraft	(7)	(308)
Bank arrangement fees	(2,729)	(1,184)
Vehicle financing and other loans	-	(1,560)
Group undertakings	(10,203)	(10,944)
	<b>(12,939)</b>	<b>(13,996)</b>
<b>Net interest payable</b>	<b>(11,439)</b>	<b>(10,814)</b>

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 9 Tax on loss on ordinary activities

(a) Analysis of charge in period	2010	2009
	£000	£000
<b>Current tax</b>		
Group relief receivable	4,021	2,548
Total current tax (note 9 (b))	4,021	2,548
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 14)	(77)	(52)
Total current and deferred tax	3,944	2,496
<b>(b) Factors affecting current tax charge in period</b>		
	2010	2009
	£000	£000
Loss on ordinary activities before tax	(14,202)	(280)
Loss on ordinary activities before tax at 28%	(3,977)	(78)
Effect of non taxable income	-	160
Dividend income not taxable	-	(1,960)
Accelerated capital allowances and other timing differences	(44)	368
Losses brought forward utilised in the period	-	(1,038)
<b>Current tax charge in period (note 9 (a))</b>	<b>(4,021)</b>	<b>(2,548)</b>

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 10 Intangible fixed assets

Goodwill	2010	2009
	£000	£000
Cost as at 1 January	3,246	3,246
Group reorganisation (note 2)	(3,246)	-
<b>Cost as at 31 December</b>	<b>-</b>	<b>3,246</b>
Amortisation as at 1 January	(1,303)	(978)
Charge for the year	(81)	(325)
Group reorganisation (note 2)	1,384	-
<b>Amortisation as at 31 December</b>	<b>-</b>	<b>(1,303)</b>
<b>Net book value as at 31 December</b>	<b>-</b>	<b>1,943</b>

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 11 Tangible fixed assets

	Freehold land and buildings	Long leasehold properties	Short leasehold properties	Fleet vehicles	Plant and machinery	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 January 2010	252	20	4,529	9,105	5,915	19,821
Additions	-	-	25	4	45	74
Disposals	-	-	(27)	(1,615)	(156)	(1,798)
Group reorganisation (note 2)	-	-	-	(7,494)	(5,804)	(13,298)
<b>At 31 December 2010</b>	<b>252</b>	<b>20</b>	<b>4,527</b>	<b>-</b>	<b>-</b>	<b>4,799</b>
<b>Depreciation</b>						
At 1 January 2010	252	20	3,659	4,021	5,021	12,973
Charge for the year	-	-	339	789	153	1,281
Disposals	-	-	(21)	(712)	(153)	(886)
Group reorganisation (note 2)	-	-	-	(4,098)	(5,021)	(9,119)
<b>At 31 December 2010</b>	<b>252</b>	<b>20</b>	<b>3,977</b>	<b>-</b>	<b>-</b>	<b>4,249</b>
<b>Net Book value</b>						
<b>At 31 December 2010</b>	<b>-</b>	<b>-</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>550</b>
At 31 December 2009	-	-	870	5,084	894	6,848

Included within fleet vehicles are assets held under finance leases with a net book value of £nil (2009 £4,402,000)

During the group reorganisation, operational equipment including fleet vehicles and plant and machinery were transferred to Europcar Group UK Limited. The leasehold properties have not been transferred to Europcar Group UK Limited and remain in the ownership of Europcar UK Limited.

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 12 Investments

Investments in subsidiary undertakings	2010	2009
	£000	£000
Cost and Net book value as at 31 December	156,403	156,403

Investments in subsidiary undertakings were as follows

	Country of incorporation (if not England & Wales)	Principal Activity	Holding	%
*PremierFirst Vehicle Rental EMEA Holdings Limited		Holding company	111,072,595 £1 ordinary shares	100
*BCR Holdings Limited		Holding company	225,974 £1 ordinary shares	100
*Godfrey Davies (Car Hire) Limited		Dormant	2,556,910 £1 ordinary share	100
*Rovard Facilities Limited		Dormant	1,164,845 £1 ordinary share	100
*Europcar Chauffeurdrive UK Limited		Dormant	100 £1 ordinary share	100
PremierFirst Vehicle Rental Holdings Limited		Holding company	51,166,042 £1 ordinary shares	100
PremierFirst Vehicle Rental Group Limited		Dormant	1 £1 ordinary share	100
PremierFirst Vehicle Rental Limited		Dormant	1 £1 ordinary share	100
PremierFirst Vehicle Rental Properties Limited		Dormant	1 £1 ordinary share	100
PremierFirst Vehicle Rental Insurances Guernsey Limited	Guernsey	Insurance and reinsurance	250,000 £1 ordinary shares	100
Europcar Group UK Limited		Vehicle rental	30,001,000 £1 ordinary shares	100
PremierFirst Vehicle Rental German Holdings GmbH	Germany	Holding company	2 shares of 1,000 & 24,000 Euros each	100
PremierFirst Vehicle Rental GmbH	Germany	Holding company	2 shares of 1,000 & 24,000 Euros each	100
PremierFirst Vehicle Rental Franchising Limited		Franchising of vehicle rental systems	8,000 £1 ordinary shares	100

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 12 Investments (continued)

	Country of incorporation (if not England & Wales)	Principal Activity	Holding	%
Provincial Assessors Limited		Accident damage assessment	2 £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
PremierFirst Vehicle Rental Pension Scheme Trustees Limited		Trustee for PremierFirst Vehicle Rental Pension Scheme	2 £1 ordinary shares	100
PremierFirst Vehicle Rental Switzerland A G	Switzerland	Vehicle Rental	10,000 CHF 10 each ordinary shares	100

\*denotes directly held by the company

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 13 Stocks

	2010	2009
	£000	£000
Fuel and consumables stock	-	359

#### 14 Debtors

##### Amounts falling due within one year

	2010	2009
	£000	£000
Trade debtors	-	14,030
Amounts owed by group undertakings	31,262	10,189
Other debtors	11	5
Prepayments and accrued income	-	3,066
	31,273	27,290

##### Amounts falling due after more than one year:

	2010	2009
	£000	£000
Amounts owed by group undertakings (note 2)	1,832	-
Deferred tax asset	-	9,140
	1,832	9,140

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 14 Debtors (continued)

Deferred tax comprises:

	Amount provided	Amount unprovided	Amount provided	Amount unprovided
	2010	2010	2009	2009
	£000	£000	£000	£000
Tax effect of timing differences because of				
Short term timing differences	436	-	505	-
Advance capital allowances	(1,620)	-	(1,612)	-
Tax losses carried forward	10,247	1,985	10,247	1,985
Group reorganisation (note 2)	(9,063)	(1,985)	-	-
	-	-	9,140	1,985

The deferred tax position has moved during the year as follows

	2010	2009
	£000	£000
At 1 January	9,140	9,192
Group reorganisation	(9,063)	-
Profit and loss account (note 9)	(77)	(52)
At 31 December	-	9,140

#### 15 Cash

	2010	2009
	£000	£000
Cash at bank and in hand	29,504	59,715



## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 16 Creditors: amounts falling due within one year

	2010	2009
	£000	£000
Trade creditors	-	3,635
Amounts owed to fellow group undertakings	3,475	12,862
Other taxation and social security	-	4,466
Accruals and deferred income	19	10,644
	<b>3,494</b>	<b>31,607</b>

#### 17 Creditors: amounts falling due after more than one year

	2010	2009
	£000	£000
Amounts owed to immediate parent company	<b>169,789</b>	167,088

The loan with the immediate parent company is unsecured and attracts interest at EURIBOR plus a margin and is not to exceed 9.25% per annum. The loan is repayable by 2014.

Included within the loan balance are unamortised debt issue costs of £1,655,000 (2009: £4,356,000).

##### Maturity of debt

Amounts due within one year	-	-
Amounts due after five years	<b>169,789</b>	167,088
	<b>169,789</b>	<b>167,088</b>

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 18 Provision for liabilities and charges

	2010	2009
	£000	£000
Restructuring (a)	1,398	2,044
Insurance claims liabilities (b)	-	5,820
	1,398	7,864

##### (a) Restructuring

	2010
	£000
At 1 January 2010	2,044
Additions	60
Utilised during the year	(706)
At 31 December 2010	1,398

The restructuring provision at 31 December 2010 relates to onerous leases arising on vacant properties and is expected to be utilised within a period of one to four years

##### (b) Insurance claims liabilities

	2010
	£000
At 1 January 2010	5,820
Additions	1,623
Utilised during the year	(582)
Group reorganisation (note 2)	(6,861)
At 31 December 2010	-

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 19 Contingencies and other commitments

(a) Capital commitments, for which no provision has been made, are as follows

	2010	2009
	£000	£000
Authorised and contracted for	-	20,761

(b) The company has annual commitments under non-cancellable operating leases as follows

	31 December 2010		31 December 2009	
	Land and buildings	Vehicles	Land and buildings	Vehicles
	£000	£000	£000	£000
Operating leases which expire				
- within one year	1,112	-	641	1,020
- between two and five years	1,781	-	4,159	777
- after five years	1,382	-	1,742	-
	4,275	-	6,542	1,797

The above properties are all occupied by a subsidiary undertaking and rent and related costs are borne by that company

#### 20 Contingent liabilities

The company and certain fellow group undertakings have entered into a cross guarantee in respect of a 'senior revolving facility agreement' of Europcar Holding SAS, which can be accessed by the company. This facility has not been used during the year. In addition there are no amounts outstanding on this facility at the year end. The directors are of the opinion that these cross guarantee arrangements will not have a material impact on the results of the position of the company.

The company, along with certain other UK group undertakings, has entered into cross guarantees in respect of a revolving credit and overdraft facility. The amount outstanding on the facility at year end was £20,000,000 (2009: £nil). The company has also, along with certain other UK group undertakings, entered into cross guarantees in respect of an asset financing facility with Lombard North Central plc and Bank of Scotland plc. The amount outstanding on the facility at year end was £265,195,000 (2009: £nil).

## Europcar UK Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 21 Called up share capital

	2010		2009	
	Number	£000	Number	£000
<b>Authorised</b>				
Ordinary shares of £1 each	24,936,000	24,936	24,936,000	24,936
<b>Allotted, called up &amp; fully paid</b>				
Ordinary shares of £1 each	24,936,000	24,936	24,936,000	24,936

#### 22 Reserves

<b>Profit and loss account</b>	<b>2010</b>
	<b>£000</b>
At 1 January	30,203
Loss for the financial year	(10,258)
<b>At 31 December</b>	<b>19,945</b>

#### 23 Reconciliation of shareholders' funds and movements on reserves

	2010	2009
	£000	£000
Opening total shareholders' funds	55,139	52,923
(Loss)/profit for the financial year	(10,258)	2,216
<b>Closing total shareholders' funds</b>	<b>44,881</b>	<b>55,139</b>

## **Europcar UK Limited**

### **Notes to the financial statements for the year ended 31 December 2010 (continued)**

#### **24 Pension scheme**

The company operates a group personal pension plan for eligible employees, which will operate on a money purchase basis. Amounts payable for this scheme are charged to the profit and loss account as they occur in line with the provisions of the scheme.

#### **25 Securitisation**

Bank of Scotland plc holds a floating charge over the current and future assets of the company as security in respect of group borrowings.

#### **26 Related party transactions**

The company's ultimate parent company and controlling party at 31 December 2010 was Eurazeo S A (see note 27). The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Group.

#### **27 Ultimate parent company**

Europcar UK Limited's immediate parent undertaking is Europcar Holding SAS, a company incorporated in France. Europcar Holding SAS is ultimately owned by Eurazeo, a quoted French investment company.

The smallest group into which the company's results are consolidated is Europcar Groupe S A, a company incorporated in France, whilst the largest group in which they are consolidated is that headed by Eurazeo. The consolidated accounts of this group are available to the public from Eurazeo, 32 Rue de Monceau, 75008 Paris, France.