

CELLRENT LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

REGISTERED NUMBER: 1931021



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CELLRENT LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 December 2005.

Principal Activities

The Company has no trading operations.

Review of the Business

The income received during the year was from a loan to a fellow group undertaking following a recapitalisation of the Company in the year.

Results and Dividends

The Company made a profit after taxation for the year of £2,844 (year ended 31 December 2004: nil). No interim dividend has been paid during the year (year ended 31 December 2004: nil). The Directors do not recommend the payment of a final dividend (year ended 31 December 2004: nil). The profit for the year retained by the Company has been transferred to reserves.

Payments to Creditors

It is the Company's practice to agree terms of payment at the start of business with each supplier, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other legal obligations. The Company had no trade creditors at 31 December 2005 (31 December 2004: nil).

Directors and their Interests

The Directors of the Company during the year are set out below:

N A Bell
S B D Fillingham

None of the Directors had any interests in the shares of the Company or in any material contracts with the Company. The Directors received no remuneration in respect of their services to the Company during the year (2004: nil).

At 31 December 2005 the following Directors had share options outstanding in Avis Europe plc.

	<u>1 January 2005</u>	<u>Granted</u>	<u>31 December 2005</u>
N A Bell	24,500	4,727	29,227
S B D Fillingham	24,500	4,727	29,227

CELLRENT LIMITED

DIRECTORS' REPORT (continued)

Directors and their Interests (continued)

Options were granted to the Directors in the year to offset the dilutive effect of a rights issue undertaken by Avis Europe plc in July 2005. The terms and conditions relating to the Avis Europe plc Share Option Schemes are summarised in the financial statements of that company.

There was no change in the Directors' interests between the year end and the date upon which these accounts were signed.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act 1985 to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the Financial Statements on pages 4 to 9 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the Financial Statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are required to prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Auditors

PricewaterhouseCoopers LLP continue in office as Auditor since the Company has elected to dispense with the annual reappointment of auditors as permitted by Section 386 of the Companies Act 1985.

By Order of the Board



J A Nicholson
Company Secretary
23 October 2006

CELLRENT LIMITED

Independent auditors' report to the members of Cellrent Limited

We have audited the Financial Statements of Cellrent Limited for the year ended 31 December 2005 which comprise the profit and loss account and the balance sheet and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of Directors' responsibilities the Company's Directors are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

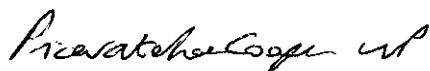
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
23 October 2006

CELLRENT LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

		Year ended 31 December 2005	Year ended 31 December 2004
	<u>Notes</u>	£	£
Interest receivable on loans to group undertakings		2,844	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		2,844	-
Tax on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
Profit for the financial year being amount transferred to reserves	8	2,844	-

The profit and loss account for the Company is entirely in respect of continuing operations. There is no difference between the profit on ordinary activities before taxation and the retained profit transferred to reserves for the year stated above and their historical equivalents.

In both the current and the prior year, all recognised gains and losses are included in the profit and loss account and therefore a statement of recognised gains and losses has not been presented.

The accompanying Notes on pages 6 to 9 form an integral part of these Financial Statements.


CELLRENT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

		31 December 2005 £	31 December 2004 £
	<u>Notes</u>		
Current assets			
Debtors: amounts owed by group undertakings	5	1,384,408	250,000
Creditors: amounts falling due within one year			
Amounts owed to group undertakings	6	<u>(1,381,564)</u>	<u>(1,381,564)</u>
Total assets less current liabilities		2,844	(1,131,564)
Net assets		<u>2,844</u>	<u>(1,131,564)</u>
Capital and reserves			
Called-up share capital	7	1,676,564	545,000
Profit and loss account	8	<u>(1,673,720)</u>	<u>(1,676,564)</u>
Shareholders' funds	9	<u>2,844</u>	<u>(1,131,564)</u>

The accompanying Notes on pages 6 to 9 form an integral part of these Financial Statements.

Approved by the Board on 23 October 2006


S B D Fillingham

Director

CELLRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

(a) Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. The Company has not prepared Group accounts as it is a subsidiary undertaking of Avis Europe plc which prepares consolidated accounts.

The Company has adopted FRS 21, Events after the balance sheet date, FRS 25, Financial instruments: disclosure and presentation, and FRS 28, Corresponding amounts, in these Financial Statements. The adoption of these standards represents a change in accounting policy. However, there was no impact in 2005 or in 2004 following these changes in accounting policy.

(b) Cash Flow Statement

The Company is included in the consolidated financial statements of Avis Europe plc, which are publicly available, and therefore has elected to utilise the exemption provided in Financial Reporting Standard 1 (Revised) and not produce a cash flow statement.

(c) Foreign Currency

Foreign currency assets and liabilities are translated at the rates of exchange ruling at the year end. Transactions during the year are recorded at rates of exchange in effect when the transaction occurs. Profits and losses on exchange are dealt with in the profit and loss account.

(d) Deferred Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19: Deferred tax.

(e) Dividends

Dividends are shown in the profit and loss account in the period in which they are approved.

CELLRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Directors' emoluments and employees

The Directors received no emoluments in respect of their services to the Company during the year (year ended 31 December 2004: nil).

The average number of Directors during the year was 2 (year ended 31 December 2004: 2). There were no other employees during the year (year ended 31 December 2004: nil).

3. Auditors' remuneration

The Auditors' remuneration is borne by Avis Management Services Limited, a fellow subsidiary undertaking.

4. Taxation

	31 December 2005 £	31 December 2004 £
(i) Analysis of charge in year		
Current tax:		
Tax on profit on ordinary activities	-	-
(ii) Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	2,844	-
Tax at 30%	853	-
Group relief surrendered for nil consideration	(853)	-
Current tax	-	-

5. Debtors: amounts owed by group undertakings

Within amounts owed by group undertakings, £1,134,408 (2004: nil) is unsecured, carrying an interest rate of 5.35% and is payable on demand. The remaining balance of £250,000 (2004: £250,000) with other group undertakings is unsecured, interest free and payable on demand.

6. Creditors: amounts falling due within one year

Amounts due to group undertakings are unsecured, interest free and payable on demand.

CELLRENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****7. Called-up share capital**

	31 December 2005	31 December 2004
	£	£
Authorised share capital:		
1,676,564 (2004: 545,000) Ordinary Shares of £1 each	1,676,564	545,000
Allotted, issued and fully paid share capital:		
1,676,564 (2004: 545,000) Ordinary Shares of £1 each	1,676,564	545,000

During the year the authorised share capital was increased by £1,131,564 by the creation of 1,131,564 ordinary shares of £1 each. On 15 December 2005, £1,131,564 shares were issued at par.

8. Statement of reserves

	Profit and loss reserve £
At 1 January 2005	(1,676,564)
Profit transferred to reserves	2,844
At 31 December 2005	<u>(1,673,720)</u>

9. Reconciliation of movement in shareholder's funds

	Year ended 31 December 2005	Year ended 31 December 2004
	£	£
Profit for the financial year	2,844	-
New shares issued	1,131,564	-
Net increase in shareholder's funds	<u>1,134,408</u>	-
Opening shareholder's funds	(1,131,564)	(1,131,564)
Closing shareholder's funds	<u>2,844</u>	<u>(1,131,564)</u>

CELLRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Ultimate parent undertaking

The Company is a subsidiary undertaking of Avis Europe Holdings Limited which is part of the Group of companies owned by Avis Europe plc. Both these parent undertakings are registered in England and Wales. Avis Europe plc is the smallest parent undertaking to consolidate the Financial Statements of the Company. The largest parent undertaking to consolidate the Financial Statements of the Company is s.a. D'Ieteren n.v, which is incorporated in Belgium. The financial statements of both companies can be obtained from Avis House, Park Road, Bracknell, Berkshire. The ultimate controlling party of s.a. D'Ieteren n.v. is the D'Ieteren family.

11. Related party transactions

The Company has taken advantage of the exemption within FRS 8: Related Party Transactions, for wholly owned subsidiary undertakings not to disclose transactions with other entities within the same Group. The consolidated financial statements for Avis Europe plc in which the Company is included are publicly available at the address given above.