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30/09/2013
COMPANIES HOUSE

CILVA HOLDINGS LIMITED
REGISTERED NUMBER 2341945

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

CILVA HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 December 2012

Principal Activities

The Company is an intermediate holding company of the Avis Budget Group, Inc group of companies

Review of the Business and Future Developments

The Company has continued to perform as expected throughout the year. The Directors expect the Company to continue to transact business as an intermediate holding company in the coming year.

Given the nature of the business, the Directors are of the opinion that analysis using key performance indicators is not required in order to understand the development, performance or position of the business.

Results and Dividends

The Company made a profit after taxation for the year of £15,332,000 (2011: £311,381,000). No interim dividend was paid during the year (2011: nil). The Directors do not recommend the payment of a final dividend (2011: nil).

Going Concern

The Directors expect the Company to continue to operate in the coming year. Thus they continue to adopt the going concern basis in preparing the Financial Statements.

Payments to Creditors

It is the Company's practice to agree terms of payment at the start of business with each supplier, to 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 2012 (2011: nil).

Financial Risk Management Objectives and Policies

The Directors consider that there is limited exposure to financial risk, as the majority of the Company's financial exposure is to other companies in the Avis Budget EMEA Limited group. As such the Directors have not implemented a policy for the Company. Instead, the Company's financial risk management objectives and policies are aligned to those of the Avis Budget EMEA Limited group of companies, which are as disclosed in the consolidated financial statements of the Company's ultimate holding company, Avis Budget Group, Inc.

Directors

The Directors of the Company during the year and up to the date of signing the Financial Statements are set out below:

S B D Fillingham (resigned 12 April 2013)
P L Ford (resigned 23 May 2012)
R Sachdeva (appointed 23 May 2012)
J Spiers (appointed 17 June 2013)
J Turner (appointed 15 April 2013)

CILVA HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing their 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 elected to prepare 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 these 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, and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue 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.

Statement of Disclosure of Information to Auditor

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that ought to have been taken as Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

Deloitte LLP will continue in office as permitted by Section 487 of the Companies Act 2006.

By Order of the Board



R Sachdeva
Director
25 September 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CILVA HOLDINGS LIMITED

We have audited the Financial Statements of Cilva Holdings Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related Notes on pages 6 to 10. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, 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 and express an opinion on 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.

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. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its profit 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.

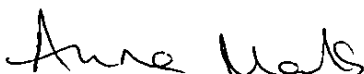
Opinion on other matter prescribed by the Companies Act 2006

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.



A Marks (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading
26 September 2013

CILVA HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Other operating income		-	284,621
Operating profit	2	-	284,621
Interest receivable on loans to group undertakings		15,332	26,760
Profit on ordinary activities before taxation		15,332	311,381
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	9	15,332	311,381

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 10 form an integral part of these Financial Statements.

CILVA HOLDINGS LIMITED

BALANCE SHEET

as at 31 December 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Investments	6	1,394,654	1,394,654
Current assets			
Debtors amounts owed by group undertakings	7	435,381	420,049
Net current assets		435,381	420,049
Total assets less current liabilities being Net assets		<u>1,830,035</u>	<u>1,814,703</u>
Capital and reserves			
Called-up share capital	8	1,134,241	1,134,241
Share premium account	9	548,313	548,313
Profit and loss account	9	147,481	132,149
Shareholder's funds - equity	10	<u>1,830,035</u>	<u>1,814,703</u>

The Financial Statements on pages 4 to 10 were approved by the Board on 25 September 2013 and were signed on its behalf by



R Sachdeva
Director
Cilva Holdings Limited
Registered No 2341945

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

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 on the going concern basis, under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and the Companies Act 2006. The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to present group financial statements as it is a wholly owned subsidiary undertaking of Avis Europe Investments Limited which is part of the group of companies owned by Avis Budget Group, Inc., a company incorporated in the United States of America, which itself prepares consolidated financial statements

(b) Cash Flow Statement

The Company is included in the consolidated financial statements of Avis Budget Group, Inc., which are publicly available, and therefore has elected to utilise the exemption provided in FRS 1 (Revised 1996), Cash flow statements, and not produce a cash flow statement

(c) Investments

Investments are stated at cost less provision for any impairment where the recoverable amount is less than cost. The carrying values of investments are reviewed if events or changes in circumstances indicate the carrying value may not be recoverable, or that previously recognised impairments are no longer applicable. Any impairment of investments, or reversal of previously recognised impairment, are charged/(credited) to the profit and loss account in the year in which it arises

(d) Foreign Currency

Assets and liabilities denominated in foreign currencies 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 recorded in the profit and loss account in the period in which they arise

(e) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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. A deferred tax asset is only recognised when there are expected to be suitable future taxable profits within the tax group against which to reverse the underlying timing differences

(f) Dividends

Final dividends to the Company's shareholders are recognised as a liability in the Financial Statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2012

2. Operating profit

	2012 £000	2011 £000
Operating profit is stated after crediting		
Reversal of provision against investment in subsidiary undertakings(see Note 6)	-	284,621

3. Directors' emoluments and employees

The Directors received no emoluments in respect of their services to the Company during the year (2011 nil)

The average monthly number of Directors during the year was 2 (2011 2) There were no other employees during the year (2011 nil)

4. Auditor's remuneration

The auditor's remuneration is borne by Avis Budget Services Limited, a fellow subsidiary undertaking The fee payable to the Company's auditor for the audit of the Company's Financial Statements for the year ended 31 December 2012 was £1,000 (2011 £1,000)

5. Tax on profit on ordinary activities

	2012 £000	2011 £000
(i) Analysis of charge in year		
Current tax	-	-
Tax on profit on ordinary activities	-	-

(ii) Factors affecting the current tax charge for the year

The current tax charge for the year is lower (2011 lower) than the standard rate of UK corporation tax (24.5%) (2011 26.5%) and is explained as follows

	2012 £000	2011 £000
Profit on ordinary activities before taxation	15,332	311,381
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	3,756	82,516
Group relief received for nil consideration	(3,756)	(7,091)
Reversal of non deductible provision	-	(75,425)
Current tax	-	-

The Finance Act 2012 included legislation to reduce the main rate of corporation tax in the UK from 26% to 24%, with effect from 1 April 2012 and from 24% to 23%, with effect from 1 April 2013

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2012

6 Investments

	Shares in subsidiary undertaking £000
<u>Cost</u>	
At 1 January 2012 and At 31 December 2012	<u>1,562,003</u>
<u>Provision for impairment</u>	
At 1 January 2012 and At 31 December 2012	<u>167,349</u>
<u>Net book amount</u>	
At 31 December 2012	<u>1,394,654</u>
At 31 December 2011	<u>1,394,654</u>

The Company's principal investment, in which the Company holds 100% of the issued ordinary share capital, is Avis Europe Holdings Limited, which is incorporated in England and Wales. Avis Europe Holdings Limited is an intermediate holding company of the Avis Budget EMEA Limited group of companies. All of the investments are direct investments.

In accordance with the requirements of FRS 11, Impairments of fixed assets and goodwill, the Directors have undertaken an impairment review of the carrying value of its investment in subsidiary undertakings. No further provision has been recognised as a consequence of this review at 31 December 2012 (2011: nil) based on a value in use calculation. In the prior year, a provision write back of £284,621,000 was recognised in respect of Avis Europe Holdings Limited. This write back was based on net realisable value, being the higher of both net realisable value and value in use calculations.

In determining value in use, the Directors calculate the present value of the estimated future cash flows expected to arise based on management's latest long term plans, with extrapolation thereafter. In addition, a market approach is adopted whereby a comparison is made to similar business interests that have been sold. The resultant value in use calculation at 31 December 2012 resulted in a value in use in excess of the opening carrying value of the fixed asset investment, but no reversal of the provision for impairment is performed at 31 December 2012 given the sensitivity of the calculations to a number of key assumptions, and continued macro-economic uncertainties.

In the opinion of the Directors, the value of the Company's investment is not less than the amount at which the investment is stated in the balance sheet.

7. Debtors

The maximum credit risk exposure is the carrying amount of the amounts owed by fellow subsidiaries. No allowance for bad debts has been made as all amounts owed by fellow subsidiaries are expected to be fully recoverable.

Inter-company loans are fixed rate with a weighted average cost for amounts owed by fellow subsidiaries at 31 December 2012 of 6.65% (2011: 6.25%). There were no floating rate inter-company loans.

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2012

8. Called-up share capital

	2011 and 2012 £000
Fully paid and issued share capital	
11,342,411,642 Ordinary shares of 10p each	<u>1,134,241</u>

9. Reserves

	At 1 January 2012 £000	Profit transferred to reserves £000	At 31 December 2012 £000
Provision against investment in subsidiary undertaking	(167,349)	-	(167,349)
Other non-distributable reserves	117,171	-	117,171
Total non-distributable reserves	(50,178)	-	(50,178)
Distributable reserves	182,327	15,332	197,659
Total profit and loss reserve	132,149	15,332	147,481
Share premium account	548,313	-	548,313
Total reserves	<u>680,462</u>	<u>15,332</u>	<u>695,794</u>

The Directors review the carrying value of the Company's investments on an annual basis, and revalued certain of the Company's investments in subsidiary undertakings as at 31 December 2003 to their recoverable amount based upon their value in use. Prior to 1 January 2004, the Directors considered the value of the remaining fixed assets without actually revaluing those assets and were satisfied that the aggregate value of those assets was not less than the aggregate amounts stated in the Company's Financial Statements.

As at 31 December 2011, in accordance with the requirements of FRS11, Impairments of fixed assets and goodwill, the Directors undertook an impairment review of the carrying value of its investments in subsidiary undertakings and recognised a provision write back in respect of Avis Europe Holdings Limited. The Directors have considered the value of the remaining fixed assets as at 31 December 2012 without actually revaluing those assets. The Directors are satisfied that the aggregate value of those assets whose value they have considered was not less than the aggregate amount at which those assets are stated in the Company's Financial Statements.

In accordance with Sections 841-842 of the Companies Act 2006, the provision made in respect of the revaluation of the Company's investment in Avis Europe Holdings Limited prior to 1 January 2004 does not fall to be classified as a realised loss and therefore the distributable reserves of the company are £197,659,000 (2011: £182,327,000).

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2012

10. Reconciliation of movements in shareholder's funds

	2012 £000	2011 £000
Profit for the financial year	15,332	311,381
At 1 January	1,814,703	1,503,322
At 31 December	<u>1,830,035</u>	<u>1,814,703</u>

11. Commitments and contingencies

The Company has entered into a cross-guarantee arrangement with its bankers, under which the Company's funds may be used to offset the liabilities of the other group undertakings. As at 31 December 2012, the liabilities of the relevant other group undertakings amounted, in aggregate, to £nil (2011: £49,000).

The Directors are of the opinion that these arrangements will not have a material impact on the results and financial position of the Company.

12. Ultimate parent undertaking

The Company is a subsidiary undertaking of Avis Europe Investments Limited, which is part of the group of companies owned by Avis Budget EMEA limited. Both these parent undertakings are registered in England and Wales. The smallest and largest parent undertaking to consolidate the Finance Statements of the Company is Avis Budget Group, Inc., which is incorporated in the United States of America and registered on NASDAQ. The financial statements of Avis Budget Group, Inc. are publicly available at www.avisbudgetgroup.com.

13. Related party transactions

The Company has taken advantage of the exemption within FRS8, 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 Budget Group, Inc., in which the Company is included, are publicly available at www.avisbudgetgroup.com.