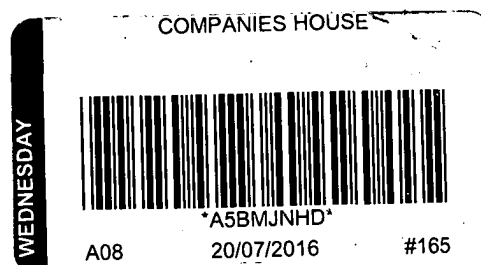


CILVA HOLDINGS LIMITED
REGISTERED NUMBER: 2341945

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



CILVA HOLDINGS LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for the Company for the year ended 31 December 2015.

Strategic Review and Future Developments

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

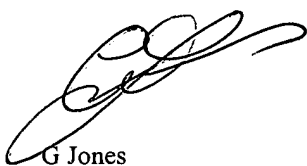
The Company has continued to perform as expected throughout the year and has made a profit after taxation in the year of £20,590,000 (2014: £195,519,000). The Directors expect the Company to continue to transact business as an intermediate holding company in the coming year. The position of the Company at the year end is set out in the balance sheet and related notes on pages 8 to 15.

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

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 Group, Inc. group of companies, which are as disclosed in the consolidated financial statements of Avis Budget Group, Inc.

By Order of the Board



G Jones
Company Secretary
29 June 2016

CILVA HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 December 2015.

Results and Dividends

The Company made a profit after taxation for the year of £20,590,000 (2014: £195,519,000). No interim dividend was paid during the year (2014: nil). The Directors do not recommend the payment of a final dividend (2014: 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. Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in Note 3 of 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 2015 (2014: nil).

Directors

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

P L Ford (appointed 30 April 2015)
J E Spiers
J C G Turner (resigned 30 April 2015)

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual 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.

CILVA HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Statement of Disclosure of Information to Auditor

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

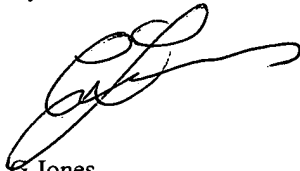
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that ought to have been taken as Director in order to make themselves aware of any relevant audit information and to establish that the Company's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

A handwritten signature in black ink, appearing to be 'G Jones', written over a horizontal line.

G Jones
Company Secretary
29 June 2016

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 2015 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related Notes on pages 8 to 15. 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), including FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Directors' Responsibilities Statement, 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 Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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.

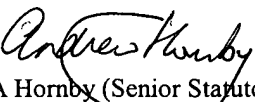
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 Hornby (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading
United Kingdom
29 June 2016

CILVA HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Other income		-	167,349
Operating profit	7	-	167,349
Finance income	8	20,627	28,253
Finance costs	8	(37)	(83)
Profit on ordinary activities before taxation		20,590	195,519
Taxation	9	-	-
Profit for the financial year being Total comprehensive income for the year		<u>20,590</u>	<u>195,519</u>

All results derive from continuing operations.

The accompanying Notes on pages 8 to 15 form an integral part of these Financial Statements.

CILVA HOLDINGS LIMITED

BALANCE SHEET

as at 31 December 2015

	Notes	2015 £000	2014 £000
Investments	10	1,562,003	1,562,003
Non-current assets		1,562,003	1,562,003
Other financial assets: - amounts owed by subsidiary undertakings	11	513,047	508,488
Current assets		513,047	508,488
Total assets		2,075,050	2,070,491
Other financial liabilities: - amounts owed to subsidiary undertakings	11	-	(16,031)
Current liabilities being Total liabilities		-	(16,031)
Net assets		2,075,050	2,054,460
Equity			
Called-up share capital	13	1,134,241	1,134,241
Share premium		548,313	548,313
Retained profit		392,496	371,906
Shareholder's equity		2,075,050	2,054,460

The Financial Statements on pages 5 to 15 were approved by the Board on 29 June 2016 and were signed on its behalf by:



J E Spiers
Director
Cilva Holdings Limited
Registered No. 2341945

CILVA HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Distributable reserves £000	Non distributable reserves £000	Total £000
At 1 January 2014	1,134,241	548,313	226,565	(50,178)	1,858,941
Profit for the year	-	-	28,170	167,349	195,519
At 31 December 2014	<u>1,134,241</u>	<u>548,313</u>	<u>254,735</u>	<u>117,171</u>	<u>2,054,460</u>
At 1 January 2015	1,134,241	548,313	254,735	117,171	2,054,460
Profit for the year	-	-	20,590	-	20,590
At 31 December 2015	<u>1,134,241</u>	<u>548,313</u>	<u>275,325</u>	<u>117,171</u>	<u>2,075,050</u>

The accompanying Notes on pages 8 to 15 form an integral part of these Financial Statements.

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

1. General information

The Company is an intermediate holding company in the Avis Budget Group, Inc. group of companies. The Company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 7 Welbeck Street, London W1G 9YE.

2. Statement of compliance

The Financial Statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

3. 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, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the statement of comprehensive income. 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) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

(c) 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 section 1.12 of FRS 102, and not produce a cash flow statement.

(d) Investments

Investments are shown at cost less provision for any impairment where the recoverable amount is less than cost. Investments are initially stated at cost, being their purchase cost together with any incidental expenses of acquisitions. The carrying values of investments are reviewed at each year end if events or changes in circumstances indicate the carrying value may not be recoverable. Any impairment of investments is charged to the statement of comprehensive income in the year in which it arises. The reversal of any impairment loss is recognised where the recoverable amount increases because of a change in economic circumstances or in the expected use of the investment. The amount of any reversal recognised is restricted to increasing the value of the investment to the carrying value that would be recognised had the original impairment not occurred.

(e) Foreign Currency

The Company's functional currency is Sterling. 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 statement of comprehensive income.

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

3. Statement of accounting policies (continued)

(f) 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 in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. 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.

(g) 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.

(h) Financial Instruments

Financial assets

The classification of financial assets is determined at initial recognition depending on the purpose for which they were acquired. Any impairment is recognised in the statement of comprehensive income as it arises.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and short term deposits

Cash comprises cash in hand, demand deposits and bank overdrafts. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within "borrowings" in "current liabilities" in the balance sheet.

Impairment of financial assets

At each balance sheet date the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount is reduced through the use of an allowance account, and the amount is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables, with any subsequent recoveries credited to administrative expenses.

Financial liabilities

Financial liabilities (including borrowings) are recognised initially at fair value, net of transaction costs. They are subsequently held at amortised cost unless part of a fair value hedge. Any difference between the amount on initial recognition and redemption value is recognised in the statement of comprehensive income using the effective interest method. Short term liabilities (including trade and other payables) are measured at original invoice amount.

Inter-company loans

Inter-company loans are measured at amortised cost using the effective interest method as reduced by appropriate allowances for estimated irrecoverable amounts.

Other payables

Other payables are measured at amortised cost using the effective interest method.

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

4. Critical accounting judgements and key sources of estimation uncertainty

The Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Impairment of investments

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. No impairment provision has been recognised as a consequence of this review as at 31 December 2015.

5. Directors' emoluments and employees

The Directors received no emoluments in respect of their services to the Company during the year (2014: nil).

The average monthly number of Directors during the year was 2 (2014: 2). There were no other employees during the year (2014: nil).

6. Auditor's remuneration

The auditor's remuneration is borne by Avis Budget Services Limited, a 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 2015 was £1,000 (2014: £1,000).

7. Operating profit

Operating profit is stated after crediting:

	2015 £000	2014 £000
Reversal of provision against investment in subsidiary undertakings	-	167,349

8. Net finance income

	2015 £000	2014 £000
Interest receivable:		
On loans to group undertakings	20,627	28,253
Interest payable:		
On loans from group undertakings	(37)	(83)
	20,590	28,170

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

9. Tax on profit on ordinary activities

	2015 £000	2014 £000
(i) Analysis of charge in year		
Current tax	-	-
Deferred tax	-	-
Total tax on profit on ordinary activities	-	-

(ii) Factors affecting the tax charge for the year

The standard rate of tax applied to reported profit on ordinary activities is 20.25% (2014: 21.5%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2013.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £000	2014 £000
Profit on ordinary activities before taxation	20,590	195,519
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	4,169	42,037
Group relief received for nil consideration	(4,169)	(6,057)
Income not taxable	-	(35,980)
Total tax charge for the year	-	-

The Finance Act 2013 included legislation to reduce the main rate of corporation tax in the UK from 23% to 21%, with effect from 1 April 2014 and from 21% to 20%, with effect from 1 April 2015.

The Finance Bill (No.2) 2015 included legislation to reduce the main rate of corporation tax in the UK from 20% to 19%, with effect from 1 April 2017 and from 19% to 18%, with effect from 1 April 2020. These rates were substantively enacted on 26 October 2015. The 2016 Budget subsequently announced that the main rate of corporation tax would reduce to 17% with effect from 1 April 2020.

10. Investments

	Shares in subsidiary undertaking £000
<u>Cost</u>	
At 1 January 2015 and At 31 December 2015	1,562,003
<u>Provision for impairment</u>	
At 1 January 2015 and At 31 December 2015	-
<u>Net book amount</u>	
At 31 December 2015	1,562,003
At 31 December 2014	1,562,003

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

10. Investments (continued)

Details of the Company's investments are given below:

Investments	Country of Incorporation	Activity	% of the Ordinary Share Capital owned
ABG Scandinavia Holdings AS	Norway	Holding Company	100
Aegis Motor Insurance Limited	Isle of Man	Insurance	100
Anji Car Rental & Leasing Co Limited	China	Vehicle Rental	50
Auto-Hall SA	Monaco	Vehicle Rental	100
Avis (US) Holdings BV	Netherlands	Holding Company	100
Avis Africa Limited	England and Wales	Investment	100
Avis Alquile un Coche SA	Spain	Vehicle Rental	100
Avis Asia Limited	England and Wales	Investment	100
Avis Assistance Limited	England and Wales	Investment	100
Avis Autovermietung GesmbH	Austria	Vehicle Rental	100
Avis Belgium SA	Belgium	Vehicle Rental	100
Avis Budget Auto Service GmbH	Germany	Dormant	100
Avis Budget Autoverhuur BV	Netherlands	Vehicle Rental	100
Avis Budget Autovermietung AG	Switzerland	Vehicle Rental	100
Avis Budget Autovermietung Beteiligungs GmbH	Germany	Holding Company	100
Avis Budget Autovermietung GmbH & Co KG	Germany	Vehicle Rental	100
Avis Budget Autovermietung Verwaltungs GmbH	Germany	Management	100
Avis Budget Europe Reinsurance International Limited	Isle of Man	Insurance	100
Avis Budget Group BSC Kft	Hungary	Management	100
Avis Budget Group Contact Centres EMEA SA	Spain	Management	100
Avis Budget Italia SpA	Italy	Vehicle Rental	100
Avis Budget Italia SpA Fleetco SAPA	Italy	Finance	75
Avis Budget Services Limited	England and Wales	Management	100
Avis Budget UK Limited	England and Wales	Vehicle Rental	100
Avis Commercial Holdings Limited	England and Wales	Holding Company	100
Avis Europe and Middle East Limited	England and Wales	Holding Company	100
Avis Europe Holdings Limited*	England and Wales	Investment	100
Avis Europe Overseas Limited	England and Wales	Holding Company	100
Avis Europe Risk Management Limited	England and Wales	Insurance	100
Avis Finance Company (No.2) Limited	England and Wales	Holding Company	100
Avis Finance Company (No.3) Limited	England and Wales	Finance	100
Avis Finance Company Limited	England and Wales	Finance	100
Avis Financement Vehicules SAS	France	Finance	100
Avis Financial Services Limited	England and Wales	Investment	100
Avis Europe Group Holdings (BV)	Netherlands	Holding Company	100
Avis Holdings Inc.	Germany & USA	Dormant	100
Avis India Investment Private Limited	India	Holding Company	100
Avis Investment Services (No2)	England and Wales	Holding Company	100
Avis Investment Services Limited	England and Wales	Holding Company	100
Avis Leisure Services Limited	England and Wales	Investment	100
Avis Licence Holdings Limited	England and Wales	Investment	100
Avis Location de Voitures Sarl	Luxembourg	Vehicle Rental	100
Avis Location de Voitures SAS	France	Vehicle Rental	100
Avis New York General Partnership	USA	Investment	100
Avis Pension Trustee Limited	England and Wales	Management	100
Avis Portugal SGPS Lda	Portugal	Holding Company	100
Bell' Aria SpA	Italy	Vehicle Registration	100
Business Rent a Car GmbH	Austria	Dormant	100
Centrus Limited	England and Wales	Credit Hire	100
Europe Leisure Holdings NV	Netherlands	Holding Company	29

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

10. Investments (continued)

Investments	Country of Incorporation	Activity	% of the Ordinary Share Capital owned
Garep AG	Switzerland	Vehicle Maintenance	100
Jupol-Car sp. z.o.o.	Poland	Vehicle Rental	100
Maggiore Asset Management SRL	Italy	Holding Company	100
Maggiore Finanziaria de Partecipazioni SRL	Italy	Holding Company	100
Maggiore Rent SPA	Italy	Vehicle Rental	100
Maggiore SRL	Italy	Holding Company	100
Maggiore Tradefleet Development SRL	Italy	Finance	100
Maggiore Tradefleet Investments SRL	Italy	Finance	100
Manor National Limited	England and Wales	Holding Company	100
Mercury Car Rentals Limited	India	Vehicle Rental	60
Milton Location de Voitures SAS	France	Vehicle Rental	100
National Car Rentals (Private) Limited	Singapore	Vehicle Rental	100
Payhot Limited	England and Wales	Holding Company	100
PVI Kraftfahrzeug-Leasing GmbH	Germany	Dormant	100
RAC Denmark A/S	Denmark	Vehicle Rental	100
RAC Norway AS	Norway	Vehicle Rental	100
SCA SAS	France	Management	100
Sovial Sociedade de Viatures de Alguer Lda	Portugal	Vehicle Rental	100
Sovialma-Sociedade de Viatures de Alguer de Madeira Lda	Portugal	Vehicle Rental	67
Strongdraw Limited	England and Wales	Holding Company	100
Sweden Rent A Car AB	Sweden	Vehicle Rental	100
Upperextra Limited	England and Wales	Holding Company	100
Zodiac Autovermietung AG	Switzerland	Dormant	100
Zodiac Europe Finance Company Limited	England and Wales	Finance	100
Zodiac Europe Investments Limited	England and Wales	Holding Company	100
Zodiac Europe Limited	England and Wales	Holding Company	100
Zodiac Italia SpA	Italy	Investment	100
Zodiac Rent a Car Limited	England and Wales	Vehicle Rental	100

*Shares held directly by the Company

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.

In accordance with the requirements of FRS 102, the Directors have undertaken an impairment review of the carrying value of its investment in subsidiary undertakings. This review is undertaken by reference to the recoverable amount of the Company's investment in subsidiaries being an estimate of value in use.

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 2015 resulted in a value in use in excess of the opening carrying value of the fixed asset investment and no provision has been recognised as a consequence of this review (2014: a reversal of the provision for impairment was recognised as at 31 December 2014, reflecting the impact of increased growth resulting from being part of the Avis Budget Group, Inc. group of companies).

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

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

11. Inter-company items

	2015 £000	2014 £000
Amounts owed by subsidiary undertakings	513,047	508,488
Amounts owed to subsidiary undertakings	-	(16,031)
Net amounts owed by subsidiary undertakings	<u>513,047</u>	<u>492,457</u>

Amounts owed by subsidiary undertakings, and amounts owed to subsidiary undertakings, are unsecured and payable on demand.

Balance sheet amounts are stated net of provisions for doubtful debts, and accordingly the maximum credit risk exposure is the carrying amount of the amounts owed by subsidiary undertakings. No allowance for bad debts has been made as all amounts owed by subsidiary undertakings are expected to be fully recoverable.

Inter-company loans are fixed rate with a weighted average cost for amounts owed by subsidiary undertakings at 31 December 2015 of 4.00% (2014: 5.82%) and for amounts owed to subsidiary undertakings at 31 December 2014 of 5.61%. There were no floating rate inter-company loans.

12. Financial instruments

	2015 Book amount £000	Fair value £000	2014 Book amount £000	Fair value £000
Other financial assets:				
- amounts owed by fellow subsidiaries	513,047	513,047	508,488	508,488
Other financial liabilities:				
- amounts owed to fellow subsidiaries	-	-	(16,031)	(16,031)

13. Called-up share capital

	2014 and 2015 £000
Fully paid and issued share capital:	
11,342,411,642 Ordinary shares of 10p each	<u>1,134,241</u>

CILVA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

14. 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 2015, the liabilities of the relevant other group undertakings amounted, in aggregate, to £nil (2014: £38,000).

In February 2015, the French Competition Authority issued a statement of objections alleging that several car rental companies, including the two of the Company's European subsidiaries, engaged with (i) twelve French airports, the majority of which are controlled by public administrative bodies or the French state, violated competition law through the distribution of company-specific statistics by airports to car rental companies operating at those airports; and (ii) two other international car rental companies in a concerted practice relating to train station surcharges. The Company believes that it has valid defences and intends to vigorously defend against the allegations, but it is currently unable to predict the outcome of the proceedings or range of reasonably possible losses, which may be material.

Certain of the Avis Budget EMEA Limited group companies are defendants in a number of claims and legal proceedings incidental to their operations. Based on information currently available it is not possible to assess the likelihood of these proceedings resulting in material fines but the Directors believe that they have valid defences in these matters and do not expect that any of these contingencies will have a material impact on the results or financial position of the Company.

15. 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.

16. Related party transactions

The Company has taken advantage of the exemption within section 1.12 of FRS 102 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.

17. Transition to FRS 102

This is the first year that the Company has presented its results under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. There were no changes to equity or profit as a consequence of adopting FRS 102.