

Company Registration No. 02628149

SWIFT RENT-A-CAR LIMITED

Report and Financial Statements

For the year ended 30 June 2009



SWIFT RENT-A-CAR LIMITED

Report and Financial Statements 2009

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SWIFT RENT-A-CAR LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Ward
I Wardle

SECRETARY

N P Tilley

REGISTERED OFFICE

Pinesgate
Lower Bristol Road
Bath
BA2 3DP

AUDITORS

Deloitte LLP
Bristol

SWIFT RENT-A-CAR LIMITED

DIRECTORS' REPORT (continued)

The directors present their annual report and the audited financial statements for the year ended 30 June 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity during the year was the provision of premium motor vehicles for rental.

Revenue for the year was £24,048,191 (2008: £25,854,652); this represents a decrease of 7%. The loss after tax for the year was £3,614,433 (2008: profit of £252,284). The reduced profitability reflected increased commissions and fleet costs as well as the exceptional revision of the recoverability of receivables.

A dividend of £5,000,000 (£3,706 per share) has been paid during the year (2008: £nil).

As detailed in note 8 respectively, the directors have made critical judgements in relation to the expected future adjustments on settlements of claims against motor insurers. By its very nature, this area is inherently judgemental and uncertain.

The principal risks affecting the company's business are liquidity risk and the risk associated with fluctuations in the residual value of fleet vehicles in so far as the cost of the vehicles used by the company are recharged to it by another group company. The former is managed by monitoring debtor days, which were 220 at 30 June 2009 (2008: 206 days). The latter is closely monitored by management on an ongoing basis.

Risk is managed on a group basis. More detailed discussion on the risks and key performance indicators facing the Helphire Group is available in the Annual Report of Helphire Group plc.

GOING CONCERN

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the financial position of the Group, which is discussed on page 16 of the Helphire Group Plc annual report for 2009, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Helphire Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and that of the Helphire Group, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS

The directors during the year were as follows:

| | |
|-------------|---|
| M A Adams | (appointed 23 July 2008, resigned 29 April 2009) |
| N C Corrie | (resigned 29 June 2009) |
| A G Gilbert | (resigned 7 July 2009) |
| P D Gomes | (resigned 1 September 2009) |
| C R Lambert | (appointed 20 January 2009, resigned 14 May 2009) |
| D E Lindsay | (resigned 16 July 2008) |
| M B Jackson | (resigned 20 January 2009) |
| M Ward | (appointed 24 April 2009) |
| I Wardle | (appointed 13 May 2009) |

SWIFT RENT-A-CAR LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

Each person who was 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 auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting. On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP.

By Order of the Board

I Wardle

Director

22nd December 2009

A handwritten signature in black ink, appearing to be 'I Wardle', written over the printed name and date.

SWIFT RENT-A-CAR LIMITED

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWIFT RENT-A-CAR LIMITED

We have audited the financial statements of Swift Rent-A-Car Ltd for the year ended 30 June 2009 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors' 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 auditors

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 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 (APB'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.

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 30 June 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

Stuart N. Woodward

Stuart Woodward FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Bristol, United Kingdom

23 December 2009

SWIFT RENT-A-CAR LIMITED

INCOME STATEMENT

For the year ended 30 June 2009

| | Note | 2009 £ | 2008 £ |
|---|------|--------------------|-------------------|
| REVENUE | 2 | 24,588,011 | 25,854,652 |
| Revised estimate of settlement of receivables | 2 | (539,820) | - |
| | | <u>24,048,191</u> | <u>25,854,652</u> |
| Cost of sales | | (17,812,532) | (12,549,978) |
| | | <u>6,235,659</u> | <u>13,304,674</u> |
| GROSS PROFIT | | (10,711,884) | (12,195,357) |
| Administrative expenses | | | |
| OPERATING (LOSS)/PROFIT | 3 | (4,476,225) | 1,109,317 |
| Finance income | 5 | 856,582 | 24,570 |
| Finance charges | 5 | (447,203) | (949,991) |
| | | <u>(4,066,846)</u> | <u>183,896</u> |
| (LOSS)/PROFIT BEFORE TAX | | | |
| Tax | 6 | 452,413 | 68,388 |
| (LOSS)/PROFIT FOR THE YEAR | 13 | <u>(3,614,433)</u> | <u>252,284</u> |

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

| | Note | 2009 £ | 2008 £ |
|-------------------------------------|-------|----------------|------------------|
| At start of year | | 8,982,971 | 8,695,609 |
| (Loss)/Profit for the year | 13 | (3,614,433) | 252,284 |
| Dividends | | (5,000,000) | - |
| Capital contribution | 12 | 4,464 | 70,850 |
| Deferred tax on share-based payment | 6, 13 | - | (35,772) |
| At end of year | | <u>373,002</u> | <u>8,982,971</u> |

SWIFT RENT-A-CAR LIMITED

BALANCE SHEET

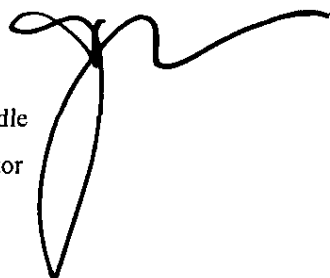
As at 30 June 2009

| | Note | 2009 £ | 2008 £ |
|-------------------------------|------|---------------------|---------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 6,281 | 44,868 |
| Deferred tax asset | 6 | - | 74,477 |
| | | <u>6,281</u> | <u>119,345</u> |
| CURRENT ASSETS | | | |
| Trade and other receivables | 8 | 18,682,950 | 20,786,379 |
| | | <u>18,682,950</u> | <u>20,786,379</u> |
| TOTAL ASSETS | | <u>18,689,231</u> | <u>20,905,724</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | (18,290,966) | (10,802,776) |
| Borrowings and overdrafts | 10 | (25,263) | (21,516) |
| Current tax liabilities | | - | (1,098,461) |
| | | <u>(18,316,229)</u> | <u>(11,922,753)</u> |
| NET ASSETS | | <u>373,002</u> | <u>8,982,971</u> |
| EQUITY | | | |
| Share capital | 11 | 1,349 | 1,349 |
| Capital contribution | 12 | 128,270 | 123,806 |
| Retained earnings | 13 | 243,383 | 8,857,816 |
| TOTAL EQUITY | | <u>373,002</u> | <u>8,982,971</u> |

The financial statements of Swift Rent-A-Car Limited, registered number 02628149, were approved by the board of directors and authorised for issue on 22nd December 2009

Signed on behalf of the Board of Directors

I Wardle
Director



SWIFT RENT-A-CAR LIMITED

CASH FLOW STATEMENT For the year ended 30 June 2009

| | 2009 £ | 2008 £ |
|--|-------------|-------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Operating (loss)/profit | (4,476,225) | 1,109,317 |
| Depreciation | 37,844 | 327,882 |
| Loss/(profit) on sale of property, plant and equipment | 743 | (4,536) |
| Decrease / (increase) in debtors | 2,103,429 | (8,613,186) |
| Increase in creditors | 2,040,987 | 8,147,573 |
| Share-based payment charge | 4,464 | 70,850 |
| Cash generated from operations | (288,758) | 1,037,900 |
| Interest received | 856,582 | 24,570 |
| Interest paid | | (949,991) |
| Taxation paid | (571,571) | 247,240 |
| Net cash flow from operating activities | (3,747) | 359,719 |
| CASH FLOW USED IN INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | - | (10,398) |
| Proceeds from sale of property, plant and equipment | - | 1,865,102 |
| NET CASH FLOW USED IN INVESTING ACTIVITIES | - | 1,854,704 |
| CASH FLOW USED IN FINANCING ACTIVITIES | | |
| Finance lease repayments | - | (2,227,721) |
| NET CASH FLOW FROM FINANCING ACTIVITIES | - | (2,227,721) |
| DECREASE IN CASH AND CASH EQUIVALENTS | (3,747) | (13,297) |
| Cash and cash equivalents at the beginning of the year | (21,516) | (8,219) |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | (25,263) | (21,516) |

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union.

The financial statements have been prepared on a historical cost basis. The principal accounting policies adopted are set out below.

Adoption of new and revised standards

Three Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are: IFRIC 12 – Service Concession Arrangements, IFRIC 13 – Customer Loyalty Programmes and IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The adoption of these Interpretations has not led to any changes in the company's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations which has not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

| | |
|-----------------------------------|---|
| IFRS 1 (amended)/IAS 27 (amended) | Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |
| IFRS 2 (revised 2008) | Share-based Payment – Vesting Conditions and Cancellations |
| IFRS 3 (revised 2008) | Business Combinations |
| IFRS 8 | Operating Segments |
| IFRS 9 | Financial Instruments |
| IAS 1 (revised 2007) | Presentation of Financial Statements |
| IAS 23 (revised 2007) | Borrowing Costs |
| IAS 27 (revised 2008) | Consolidated and Separate Financial Statements |
| IAS 32 (amended)/IAS 1 (amended) | Puttable Financial Instruments and Obligations Arising on Liquidation |
| IFRIC 15 | Agreements for the Construction of Real Estate |
| IFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| IFRIC 17 | Distribution of Non-cash Assets to Owners |
| IFRIC 18 | Transfer of Assets from Customers |

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company

Going concern

The financial statements have been prepared on a going concern basis as discussed in the Directors' report.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

1. ACCOUNTING POLICIES (continued)

Revenue recognition

Credit hire income is recognised, net of VAT and other sales taxes, as that which is estimated as recoverable on transactions that have been completed during the year, together with an appropriate proportion of recoverable income in respect of hires at the year-end and is measured at the fair value of the consideration receivable.

Credit hire revenue is recognised from the date of vehicle is placed on hire. Vehicles are only supplied and remain on hire after a validation process that ensures to the company's satisfaction that liability for the accident rests with another party. The rates used are based on daily commercial tariffs for particular categories of vehicles and are accrued on a daily basis, by claim, after adjustment for an estimation of the extent to which insurers are entitled or expected to take advantage of early settlement discounts afforded under the terms of the ABI GTA, and an estimation of the expected adjustment arising on the settlement of claims.

Revenue recognised initially equates to the amount payable to the company at the completion of the hire transaction. The company also has an entitlement to late payment charges where claims are not settled within the timeframes supported by the ABI GTA. Such charges are not recognised at the time of the hire transaction as they have not been earned; rather they are recognised when they can be reliably determined, which is normally on settlement of the related claim.

Expected adjustment arising on settlement of claims

By their very nature, claims against motor insurance companies or self-insuring organisations can be subject to dispute. As described above, the company records revenue initially net of the expected adjustment arising on the settlement of claims, which reflects the company's estimate of the amounts claimed from insurers that it does not expect to be ultimately recoverable. Where necessary, this estimate is revised at subsequent period end dates if and when further information becomes available.

The Company's estimation of the expected adjustments arising on settlement of claims is calculated with reference to a number of factors, including the Company's historical experience of collection levels, its anticipated collection profiles and analysis of the current profile of the claims against insurance companies. Although in principle this is determined by reference to individual cases, in practice the homogenous nature of most claims means that the level of adjustment is calculated by reference to specific categories of claim.

Operating (loss)/profit

Operating (loss)/profit is stated after charging administrative costs.

Retirement benefit costs

The company is a member of the Helphire Group plc pension scheme and contributes to the personal pension plans of employees at a fixed percentage of basis earnings. The cost is charged to the income statement as the contributions fall due.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets, other than land, over their estimated useful lives, using the straight line method, on the following bases.

| | |
|------------------------|------------------------------|
| Leasehold improvements | Over the period of the lease |
| Hire fleet | See below |
| Fixtures and fittings | 20% |
| Computer equipment | 40% |

Fleet vehicles are depreciated by equal monthly instalments to write down the cost of the vehicles to their estimated residual value over the expected holding period of up to 33 months. Residual value is based on the *current estimate of the net disposal value of the vehicle as if the vehicle were already of the age and in the condition expected at the date of disposal.* Management review these estimates at each reporting date by reference to publicly available data on second-hand vehicle sales. The depreciation charge is adjusted prospectively to reflect movements in the residual value.

Financial assets

Financial assets are classified into the following specified category: "Loans and receivables". The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

1. ACCOUNTING POLICIES (continued)

Loans and receivables

Trade receivables, loans and other receivables (including amounts owed by group companies) that have fixed or determinable payments that are not quoted in the active market are loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables for claims from insurers, where the carrying amount is reduced by an adjustment arising on the settlement of claims. Subsequent recoveries of amounts previously written off are credited against this adjustment. Changes in the carrying amount of this adjustment are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and any other short-term highly liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as "other financial liabilities". "Other financial liabilities", including borrowings and amounts owed to group companies, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

1. ACCOUNTING POLICIES (continued)

Share-based payments

The company has applied the requirements of IFRS2, Share-based payments, in relation to options granted to its employees over the shares of the parent company, Helphire Group plc. In accordance with the transitional provisions, IFRS2 has been applied to all grants of equity instruments after 7 November 2002 that had not vested at 1 April 2005.

These payments are measured at fair value (ignoring the effects of non market-based vesting conditions) at the date of grant. The fair value at the date of grant is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share-based payment charge relating to the company is presented as an expense within administrative expenses, with the offsetting credit entry treated as a capital contribution from the parent company. A deferred tax asset has been recognised in respect of outstanding options at each period end and the portion of the movement in that deferred tax asset that is not permitted to be taken to the income statement has been accounted for as an entry direct to retained earnings for the period.

IFRS2 disclosures have been omitted because the amounts involved are not material. Full disclosure of the group's share-based payment schemes are on page 61 of the Helphire Group PLC annual report and accounts for 2009.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies described above, the Directors are required to make judgements, estimates and assumptions about the carrying value 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements affecting the company's financial statements are expected adjustments arising on settlement of insurance claims (see note 8).

2. REVENUE

Revenue is attributable to one class of business. All revenue arose in the United Kingdom.

All revenue arose in the United Kingdom. As described in note 8, the estimation of the expected adjustment arising on settlement of claims is revised, where necessary, at each balance sheet date to reflect the company's most recent estimation of amounts ultimately recoverable. Although in principle this is determined by reference to individual cases, in practice the homogenous nature of most claims means that the level of adjustment is calculated by reference to specific categories of claim. Adjustments arising from the subsequent revision of the Company's expected adjustment arising on settlement of claims, including amounts received by way of late payment charges, are recorded in revenue in the income statement.

The company's accounting policy is that costs or gains are treated as exceptional costs or gains when they are associated with normal activities but are of a non-recurring nature and / or exceptional magnitude such that if they were not shown separately the accounts would not present a true and fair view.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

2. REVENUE (continued)

Exceptional items comprise the following:

| | 2009 £'000 | 2008 £'000 |
|---|----------------|---------------|
| Revised estimate of settlement of receivables | <u>539,820</u> | <u>-</u> |

As described in note 8, an initial estimate of the expected adjustment on settlement of claims due is made at the time revenue is recognised. Where necessary, this is revised at each balance sheet date to reflect the most recent estimation of the amounts ultimately recoverable. The company's circumstances were such that a significant, further amendment was required to reassess the scale of adjustment required in the light of the company's revised approach to collection generally and for specific claims which have been outstanding for a considerable period. The tax effect of this item was £151,150.

Revenue recorded in the year ended 30 June 2009 includes amounts initially recorded on transactions together with subsequent revisions for the expected adjustment arising on settlement of claims, as follows:

| | 2009 £ | 2008 £ |
|---|-------------------|-------------------|
| Revenue initially recorded on transactions | 26,291,164 | 27,961,801 |
| Revision of expected adjustment arising on settlement | (1,703,153) | (2,107,149) |
| Exceptional revision of expected adjustment arising on settlement | <u>(539,820)</u> | <u>-</u> |
| Total | <u>24,048,191</u> | <u>25,854,652</u> |

The revision of expected adjustment arising on settlement includes £6,323,670 (2008: £5,062,090) in respect of late payment charges recognised as revenue at the point of settlement of related claims.

3. OPERATING (LOSS)/PROFIT

| Operating (loss)/profit is stated after (crediting)/charging: | 2009 £ | 2008 £ |
|---|--------------|---------------|
| Depreciation | 37,844 | 327,882 |
| Loss/(profit) on disposal of property, plant and equipment | 741 | (4,536) |
| Fleet cost recharge | 8,153,281 | 3,921,337 |
| Operating lease rentals | | |
| - plant and machinery | - | 260,057 |
| Share-based payment charge | <u>4,464</u> | <u>70,850</u> |

Auditors' remuneration for 2009 of £6,600 (2008: £5,500) was borne by a fellow group company.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

4. STAFF COSTS AND DIRECTORS' REMUNERATION

The average monthly number of employees (including directors) was:

| | 2009 £ | 2008 No. |
|--------------------------|-----------|-------------|
| Administration and sales | 175 | 194 |

The aggregate remuneration comprised:

| | £ | £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 4,536,357 | 4,218,192 |
| Social security costs | 451,670 | 459,245 |
| Other pension costs | 27,518 | 21,410 |
| | <u>5,015,545</u> | <u>4,698,847</u> |

Directors' remuneration was as follows:

| | £ | £ |
|--------------------------------------|----------------|----------------|
| Emoluments | 259,015 | 193,543 |
| Money purchase pension contributions | 10298 | 11,813 |
| | <u>269,313</u> | <u>205,356</u> |

The remuneration of the highest paid director, included above, was £197,824 (2008: £112,724).

Messrs I Wardle and M Ward are executives of the holding company, Helphire Group plc during the year. They received emoluments of £491,000 (2008: £nil) from Helphire Group plc during the year, but it is not practicable to allocate this between his services as an executive of Helphire Group plc and his services as a director of the other group companies.

All other directors received their remuneration from a fellow group company.

5. FINANCE INCOME AND CHARGES

| | 2009 £ | 2008 £ |
|--------------------------------|------------------|------------------|
| Interest receivable | | |
| Bank interest receivable | 38,417 | 24,570 |
| Inter-company interest income | 818,165 | - |
| | <u>856,582</u> | <u>24,570</u> |
| | £ | £ |
| Interest payable | | |
| Inter-company interest charges | <u>(447,203)</u> | <u>(949,991)</u> |

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

6. TAX

| Current tax | 2009 £ | 2008 £ |
|---------------------------------------|-------------------|-------------------|
| Adjustments in respect of prior years | (526,890) | - |
| Total current taxation | (526,890) | - |
| Deferred tax | | |
| Charge / (Credit) for the year | 74,477 | (68,388) |
| Total tax credit for the year | (452,413) | (68,388) |

The credit for the year differs from the profit for the period multiplied by the standard rate of corporation tax for the reasons set out below:

| | 2009 £ | 2008 £ |
|---|-------------------|-------------------|
| (Loss) / Profit before tax | (4,066,846) | 183,896 |
| Tax at the weighted average UK corporation tax rate of 28% (2008: 29.5%) | (1,138,717) | 54,249 |
| Effects of | | |
| Differences between capital allowances and depreciation | (3,714) | (10,974) |
| Adjustments in respect of prior years | (526,890) | - |
| Deferred tax on share-based payments | - | (19,838) |
| Expenses not deductible for tax purposes | 26,945 | 95,783 |
| Other timing differences not previously recognised | 7,243 | 5,444 |
| Movement in deferred tax asset relating to losses | - | 35,811 |
| Group relief surrendered / (claimed) | 409,839 | (228,863) |
| Losses carried back | 210,528 | - |
| Losses carried forward | 487,876 | - |
| Release of deferred tax assets | 74,477 | - |
| Tax credit for the year | (452,413) | (68,388) |

A reconciliation of the deferred tax asset is shown below:

| | Accelerated capital allowances £s | Share- based payments £ | Total £ |
|-----------------------------|--|--|--------------------|
| Cost | | | |
| At start of year | 54,779 | 19,698 | 74,477 |
| Charged to income statement | (54,779) | (19,698) | (74,477) |
| At end of year | - | - | - |

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

6. TAX (continued)

There were unrecognised deferred tax assets as set out below:

| | 2009 £ | 2008 £ |
|--------------------------|----------------|-----------|
| Tax losses | 448,116 | - |
| Accelerated depreciation | 45,184 | - |
| Other timing differences | 11,836 | - |
| | <u>505,136</u> | <u>-</u> |

The deferred tax asset has not been recognised due to uncertainty surrounding its future recoverability.

7. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold improvements £ | Hire fleet £ | Furniture, fittings and equipment £ | Total £ |
|------------------------|--------------------------------|-----------------|--|-------------|
| Cost | | | | |
| At 1 July 2007 | 53,762 | 3,417,360 | 161,263 | 3,632,385 |
| Additions | - | - | 10,398 | 10,398 |
| Disposals | - | (3,387,685) | - | (3,387,685) |
| At 30 June 2008 | 53,762 | 29,675 | 171,661 | 255,098 |
| Disposals | - | - | (743) | (743) |
| At 30 June 2009 | 53,762 | 29,675 | 170,918 | 254,355 |
| Depreciation | | | | |
| At 1 July 2007 | 31,170 | 1,272,638 | 105,659 | 1,409,467 |
| Charge for the year | 10,777 | 284,156 | 32,949 | 327,882 |
| Disposals | - | (1,527,119) | - | (1,527,119) |
| At 30 June 2008 | 41,947 | 29,675 | 138,608 | 210,230 |
| Charge for the year | 11,812 | - | 26,032 | 37,844 |
| At 30 June 2009 | 53,759 | 29,675 | 164,640 | 248,074 |
| Carrying amount | | | | |
| At 30 June 2009 | 3 | - | 6,278 | 6,281 |
| At 30 June 2008 | 11,815 | - | 33,053 | 44,868 |

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

8. TRADE AND OTHER RECEIVABLES

| | 2009 £ | 2008 £ |
|--|-------------------|-------------------|
| Trade receivables – gross | 22,844,140 | 20,732,162 |
| Expected adjustments arising on settlement of claims | (5,790,858) | (3,598,885) |
| Trade receivables - net | 17,053,282 | 17,133,277 |
| Other debtors | 402,525 | 542,784 |
| Prepayments | 408,978 | 1,281,635 |
| Amounts owed by group companies | 818,165 | 1,828,683 |
| | <u>18,682,950</u> | <u>20,786,379</u> |

Total net trade receivables comprise claims due from insurance companies of £17,053,289 (2008: £17,133,277). The average credit period taken by customers is 220 days (2008: 206 days).

Claims due from insurance companies are stated at the amount of net revenue recognised for the relevant claim value, which is stated after allowance for an estimation of the extent to which insurers are entitled or expected to take advantage of settlement of arrangements afforded under the terms of the ABI GTA, and an estimation of other expected adjustments arising on settlement of claims.

Where necessary, the estimation of the expected adjustment arising on settlement of claims is revised, at each balance sheet date, to reflect the Company's most recent estimation of amounts ultimately recoverable. The estimation of the expected adjustment arising on the settlement of claims represents a critical judgement made by the Directors.

The Company's initial estimation of the expected adjustment arising on settlement of claims is calculated with reference to a number of factors, including the company's historical experience of collection levels, its anticipated collection profiles, and analysis of the current profile of the claims due. As explained further in note 2 above, the company's circumstances this year were such that a significant, further amendment was required to re-assess the scale of adjustment required in the light of the Board's revised approach to collection generally and specific claims which have been outstanding for a considerable period.

Settlement risk arises on claims due from insurance companies due to their magnitude and the nature of the claims settlement process. The company recovers its charges for vehicle hire from the insurer of the at fault party to the associated accident or, in a minority of claims, from the at fault party direct where they are a self-insuring organisation. However, by their very nature, claims due from motor insurance companies can be subject to dispute which may result in subsequent adjustment to the Company's original estimate of the amount recoverable.

The company manages this risk by ensuring that vehicles are only supplied and remain on hire after a validation process that ensures to the company's satisfaction that liability for the accident rests with another party. In the normal course of its business and in particular under the terms of the ABI GTA protocol, the company uses two principal methods to conclude claims: by negotiation with the insurer of the at-fault party and, where a claim fails to settle within 120 days of billing, by litigation. A large proportion of these claims settle before or on the threat of litigation, but where they do not, formal proceedings are issued.

In view of the tripartite relationship between the company, its customer and the at fault party's insurer and the nature of the claims process, claims due from insurance companies do not carry a contractual 'due date', nor does the expected adjustment arising on settlement of trade receivables represent an impairment for credit losses. The circumstances of the insurance companies with which the company deals are currently such that no provision for credit risk is considered necessary and so the disclosures required by IFRS 7 on provision for credit loss are not provided.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

8. TRADE AND OTHER RECEIVABLES (continued)

Instead the Directors review claims due from insurance companies according to the status of the claim through the company's in-house and solicitor panel processes. In particular, for claims sent to solicitors, management consider whether proceedings have formally been issued. The company's target is that trade receivables should be transferred from the in-house to the solicitor process when they aged over 120 days. An analysis of claims due from insurance companies based on these circumstances is given below.

| | 2009 £ | % | 2008 £ | % |
|-------------------------------------|-------------------|-------------|-------------------|-------------|
| Work in progress and pending claims | <u>1,214,694</u> | <u>100%</u> | <u>5,059,693</u> | <u>100%</u> |
| Between 1 and 120 days old | | | | |
| In-house | 1,747,800 | 54% | 5,831,305 | 100% |
| At solicitors | | | | |
| - pre-issue | 927,215 | 29% | - | - |
| - proceedings issued | <u>534,222</u> | <u>17%</u> | <u>-</u> | <u>-</u> |
| | <u>3,208,237</u> | <u>100%</u> | <u>5,831,305</u> | <u>100%</u> |
| More than 120 days old | | | | |
| In-house | 188,325 | 1% | 6,163,637 | 99% |
| At solicitors | | | | |
| - pre-issue | 4,899,193 | 39% | 78,642 | 1% |
| - proceedings issued | <u>7,542,833</u> | <u>60%</u> | <u>-</u> | <u>-</u> |
| | <u>12,630,351</u> | <u>100%</u> | <u>6,242,279</u> | <u>100%</u> |
| Total | | | | |
| Work in progress and pending claims | 1,214,694 | 7% | 5,059,693 | 27% |
| In-house | 1,936,125 | 11% | 11,994,942 | 73% |
| At solicitors | | | | |
| - pre-issue | 5,826,408 | 34% | 78,642 | - |
| - proceedings issued | <u>8,076,055</u> | <u>48%</u> | <u>-</u> | <u>-</u> |
| | <u>17,053,282</u> | <u>100%</u> | <u>17,133,277</u> | <u>100%</u> |

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

8. TRADE AND OTHER RECEIVABLES (continued)

Risk is spread primarily across the major UK-based motor insurance companies in proportion to their respective share of the market. No credit insurance is taken out given the regulated nature of these entities. The company does not have a significant concentration of credit risk, with exposure spread across a large number of counterparties as shown in the table below:

| | 2009 £ | % | 2008 £ | % |
|---------------------|-------------------|-------------|-------------------|-------------|
| Counterparty | | | | |
| Insurer 1 | 1,198,898 | 7% | 1,338,221 | 8% |
| Insurer 2 | 1,150,543 | 7% | 970,026 | 6% |
| Insurer 3 | 895,272 | 5% | 845,808 | 5% |
| Insurer 4 | 865,805 | 5% | 636,310 | 4% |
| Insurer 5 | 593,550 | 4% | 612,745 | 3% |
| Other insurers | 12,349,214 | 72% | 12,730,167 | 74% |
| | <u>17,053,282</u> | <u>100%</u> | <u>17,133,277</u> | <u>100%</u> |

The directors do not consider that an impairment provision is required against the amounts due from group companies.

9. TRADE AND OTHER PAYABLES

| | 2009 £ | 2008 £ |
|------------------------------------|-------------------|-------------------|
| Trade payables | 2,269,288 | 2,399,202 |
| Amounts owed to group undertakings | 14,508,811 | 7,509,930 |
| Other taxes and social security | 829,446 | 243,397 |
| Accruals and deferred income | 683,421 | 650,247 |
| | <u>18,290,966</u> | <u>10,802,776</u> |

10. BORROWINGS AND OVERDRAFTS

| | 2009 £ | 2008 £ |
|--------------------------|---------------|---------------|
| Bank overdraft (secured) | <u>25,263</u> | <u>21,516</u> |

The bank overdraft arose due to unrepresented cheques at 30 June 2009 and at 30 June 2008.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

11. SHARE CAPITAL

| | 2009 £ | 2008 £ |
|--|--------------|--------------|
| Authorised | | |
| 1,000,000 (2008: 1,000,000) ordinary 'A' shares of £0.001 each | 1,000 | 1,000 |
| 349,295 (2008: 349,295) ordinary 'B' shares of £0.001 each | 349 | 349 |
| | <u>1,349</u> | <u>1,349</u> |
| Issued, called up and fully paid | | |
| 1,000,000 (2008: 1,000,000) ordinary 'A' shares of £0.001 each | 1,000 | 1,000 |
| 349,295 (2008: 349,295) ordinary 'B' shares of £0.001 each | 349 | 349 |
| | <u>1,349</u> | <u>1,349</u> |

The ordinary 'A' shares and ordinary 'B' shares rank *pari passu* save that, in the event of a sale of the company, the total sale proceeds shall be distributed equally amongst the holders of both classes of share as though they were one, but any deferred consideration shall be distributed amongst the ordinary 'A' shares only.

12. CAPITAL CONTRIBUTION

| | 2009 £ | 2008 £ |
|---|----------------|----------------|
| At start of year | 123,806 | 52,956 |
| Contribution from parent relating to share-based payments | 4,464 | 70,850 |
| | <u>128,270</u> | <u>123,806</u> |
| At end of year | | |

13. RETAINED EARNINGS

| | 2009 £ | 2008 £ |
|--------------------------------------|----------------|------------------|
| At start of year | 8,857,816 | 8,641,304 |
| (Loss) / profit for the year | (3,614,433) | 252,284 |
| Deferred tax on share based-payments | - | (35,772) |
| Dividend paid | (5,000,000) | - |
| | <u>243,383</u> | <u>8,857,816</u> |
| At end of year | | |

A dividend of £3,706 per share (2008: £nil) was settled through intercompany balances.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2009

14. OPERATING LEASE COMMITMENTS

| | 2009 £ | 2008 £ |
|---|-----------|-----------|
| Minimum lease payments under operating leases recognised in the income statement for the year | - | 260,057 |

15. FINANCIAL INSTRUMENTS

Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the company comprises debt, which comprises bank borrowings disclosed in note 10 and equity, which comprises the share capital detailed in note 11 and various reserves detailed in the notes 12 and 13.

The gearing ratio, defined as net debt divided by total capital, was as follows:

| | 2009 £ | 2008 £ |
|---------------------------|-----------|-----------|
| Net debt | 25,263 | 21,516 |
| Total Shareholders' funds | 373,002 | 8,982,971 |
| Total Capital | 398,265 | 9,004,487 |
| Gearing ratio | 6% | 0% |

Categories of financial instruments

| | 2009 £ | 2008 £ |
|------------------------------------|------------|------------|
| Financial assets | | |
| At amortised cost: | | |
| Loans and receivables | 17,053,282 | 17,133,277 |
| Amounts owed by group companies | 818,165 | 1,828,683 |
| Financial liabilities | | |
| At amortised cost: | | |
| Trade payables | 2,269,288 | 2,399,202 |
| Other borrowings and overdrafts | 25,263 | 21,516 |
| Amounts owed to group undertakings | 14,508,811 | 7,509,930 |

Financial risk management objectives

The company monitors and manages its financial risks, which include credit risk and liquidity risk. Although interest is charged on amounts owed by and to group companies, the directors do not consider that the company is subject to significant interest rate risk as there is no counterparty external to the Helphire Group. The company does not trade in financial instruments for speculative purposes and does not have any significant foreign currency risk exposure.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

15. FINANCIAL INSTRUMENTS (continued)

Credit risk management

The company is exposed to credit risk in connection with the possible default by insurance companies. Following an assessment of the counterparties, the Directors have concluded that there is no requirement for an impairment provision for credit loss against trade receivables arising from claims against insurance companies.

The provision for expected adjustments arising on settlement of claims does not represent an impairment provision under IFRS7. Nevertheless, for normal commercial reasons the company ensures that repairs to vehicles are only carried out after the validation process has provided assurance that the liability for the accident rests with another party. As trade receivables for credit repair carry no contractual "due date", the term "past due" used in IFRS7 is not considered to be relevant to the company's trade receivables or the way in which the company manages credit risk. Credit risk arising on amounts owed by group companies is managed by monitoring the financial positions of the counterparties on an ongoing basis. Credit risk for cash placed on deposit is controlled by the use of approved financial institutions. The carrying value of these financial assets, net of impairment provisions, represents the company's maximum exposure to credit risk.

Liquidity risk management

Liquidity risk management arises primarily from the nature of the claims settlement process, which can prolong the period of collection of trade receivables. The company's approach to liquidity risk management is consistent with the Helphire Group plc framework for liquidity risk management explained in note 31 to the consolidated accounts of Helphire Group plc for the year ended 30 June 2009.

Fair value of financial instruments

The fair value of financial assets and liabilities held at amortised cost is considered by the directors not to be materially different from their carrying amounts at the balance sheet date.

Maturity of financial assets and liabilities

All financial assets and financial liabilities are considered by the directors to have a remaining contractual maturity of less than one year. The amounts disclosed are the undiscounted cash flows. The carrying value of all financial instruments approximates to their fair value. No material interest is expected to accrue.

Externally imposed capital requirements

The company is not subject to any externally imposed capital requirements.

16. CONTINGENT LIABILITY

The company has entered into cross guarantees to the group's bank in respect of the borrowings of its parent and fellow subsidiary undertakings. At 30 June 2009 the total contingent liability in respect of group borrowings was £122m (2008: £171m).

17. SHARE BASED PAYMENTS

The share-based payment charge relates to remuneration provided to the company's employees in the form of options over the shares of the parent company, Helphire Group plc. The disclosures required by IFRS 2 including the assumptions used in arriving at the fair value of option grants, are contained in the financial statements of Helphire Group plc.

18. TRANSACTIONS WITH RELATED PARTIES

The company incurred management charges of £2,349,456 (2008: £4,124,649) from Helphire Group plc and £445,283 (2008: £990,233) from fellow Helphire group subsidiaries, these amounts being included in administrative expenses. The company also incurred fleet costs of £8,153,281 (2008: £3,921,337) from a fellow Helphire group subsidiary which are included within cost of sales.

SWIFT RENT-A-CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2009

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate and ultimate parent undertaking is Helphire Group plc, a company incorporated in the UK. The financial statements of the group are publicly available and may be obtained from The company Secretary, Helphire Group plc, Pinesgate West, Lower Bristol Road, Bath, BA2 3DP or at www.helphire.co.uk.