

**AVIS LICENCE HOLDINGS LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE TEN MONTH PERIOD ENDED 31 DECEMBER 1998**

**REGISTERED NUMBER: 3342839**

## **AVIS LICENCE HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report and the audited Financial Statements of the Company for the ten month period ended 31 December 1998.

#### **Change in Accounting Period**

During the period the Company changed its year end from 28 February to 31 December. Accordingly, the Financial Statements present results for the ten month period ended 31 December 1998.

#### **Principal Activities**

The Company is an intermediate holding company of the Avis Europe plc Group.

#### **Review of the Business**

The Company has performed satisfactorily during the period. The Directors' expect that the Company will continue to transact business as an intermediate holding company in the coming year.

#### **Results and Dividends**

The Company did not trade in the period. The Directors do not recommend the payment of a final dividend (11 months ended 28 February 1998: Nil).

#### **Payments to Creditors**

It is the Company's practice to agree terms of payment at the start of business with each supplier, ensure that suppliers are aware of the terms of payment, and to pay in accordance with contractual and other legal obligations. The Company had no trade creditors at 31 December 1998.

#### **Year 2000**

The Avis Europe plc Group, of which the Company is a subsidiary, has carried out a thorough review of its operations to evaluate the ability of its information systems to properly recognise and process date-sensitive information notwithstanding the various problems associated with Year 2000.

The Directors have reviewed the plans of the Avis Europe plc Group and are confident that the Company's business critical systems will be Year 2000 compliant before the end of 1999.

The Company anticipates that the incremental cost associated with the Year 2000 problem will not have a material impact on the Company's financial position.

## **AVIS LICENCE HOLDINGS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Directors and Their Interests**

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

W A Cathcart (Chairman) (resigned 31 January 1999)

D O Maloney (resigned 31 December 1998)

Subsequent to the period end C I Cowan and M McCafferty were appointed as Directors on 1 January 1999 and 1 February 1999 respectively.

None of the Directors had any interests in the shares of the Company or in any material contracts with the Company.

W A Cathcart, C I Cowan, D O Maloney and M McCafferty are also Directors of Avis Europe plc. Their interests in the share capital of Avis Europe plc are disclosed in the statutory accounts of that company.

#### **Statement of Directors' Responsibilities**

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

The Directors consider that in preparing the Financial Statements on pages 5 to 8 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

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

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

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

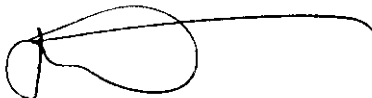
## **AVIS LICENCE HOLDINGS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Auditors**

Following the merger between Price Waterhouse and Coopers & Lybrand, Price Waterhouse resigned during the year. To fill the casual vacancy the Directors appointed PricewaterhouseCoopers. A resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

J A Nicholson

Secretary

24 February 1999

## **AVIS LICENCE HOLDINGS LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS OF AVIS LICENCE HOLDINGS LIMITED**

We have audited the Financial Statements on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### **Respective Responsibilities of Directors and Auditors**

The Directors are responsible for preparing the Annual Report, including as described on page 2, the Financial Statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements.

#### **Basis of Audit Opinion**

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

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

#### **Opinion**

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 31 December 1998 and of its result for the ten months then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICEWATERHOUSECOOPERS  
Chartered Accountants  
and Registered Auditors.  
LONDON  
24 February 1999

# AVIS LICENCE HOLDINGS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1998

	<u>Notes</u>	31 December 1998 £	28 February 1998 £
<b>Fixed Assets</b>			
Investments	5	4	4
<b>Current Assets</b>			
Debtors – Share Capital Not Paid		1	1
<b>Creditors: Amounts Falling Due Within One Year</b>			
Amounts Due From Subsidiary Undertakings		(4)	(4)
<b>Net Current Liabilities</b>		<u>(3)</u>	<u>(3)</u>
<b>Net Assets</b>		<u><u>1</u></u>	<u><u>1</u></u>
<b>Capital and Reserves</b>			
Called Up Share Capital	6	1	1
<b>Total Shareholders' Funds - equity</b>	7	<u><u>1</u></u>	<u><u>1</u></u>

Approved by the Board on 24 February 1999

Signed on behalf of the Board



C I Cowan

## **AVIS LICENCE HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Statement of Accounting Policies**

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

(a) Basis of Accounting

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

(b) Cash Flow Statement

The Company, which is a wholly owned subsidiary, has elected to utilise the exemption provided in Financial Reporting Standard 1 and not produce a cash flow statement.

(c) Profit and loss account

The Company has not presented a Profit and Loss Account since it did not trade either in the current or prior period.

#### **2. Directors' Emoluments and Employees**

The Directors received no remuneration in respect of their services to the Company during the period (11 months ended 28 February 1998: Nil).

The average number of Directors during the period was 2 (period ended 28 February 1998: 2). There were no other employees (11 months ended 28 February 1998: Nil).

#### **3. Auditors' Remuneration**

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

#### **4. Taxation**

There is no tax charge or credit for the period.

# AVIS LICENCE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. Investments

Details of the Company's principal investments are given below.

Principal Undertakings	Country of Incorporation	Activity	% of the Ordinary Share Capital Owned
Avis Africa Limited	UK	Licence Holding	100
Avis Asia Limited	UK	Licence Holding	100
Avis Europe and Middle East Limited	UK	Licence Holding	100
Avis IP Security Limited	UK	Dormant	100

### 6. Called Up Share Capital

	31 December 1998 £	28 February 1998 £
Authorised share capital:		
10,000 Ordinary Shares of 1p each	<u>100</u>	<u>100</u>
Allotted and issued share capital:		
100 Ordinary Shares of 1p each	<u>1</u>	<u>1</u>

### 7. Reconciliation to Shareholders' Funds

	10 months ended 31 December 1998 £000	11 months ended 28 February 1998 £000
Profit for the financial period	-	-
Arising on shares issued	<u>-</u>	<u>1</u>
Net increase in shareholders' funds	-	1
Opening shareholders' funds	1	-
Closing shareholders' funds	<u>1</u>	<u>1</u>



## **AVIS LICENCE HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **8. Ultimate Parent Undertaking**

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

#### **9. Related Party Transactions**

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