

**AVIS LICENCE HOLDINGS LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2002**

**REGISTERED NUMBER: 3342839**



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# **AVIS LICENCE HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2002.

### **Principal Activities**

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

### **Review of the Business**

The Company did not trade in the year. The Directors expect that the Company will continue to operate as an intermediate holding company in the coming year.

### **Results and Dividends**

The Company did not trade in the year and accordingly has not presented a profit and loss account. No interim dividend was paid in the financial year (2001: nil) The Directors do not recommend the payment of a final dividend (2001: 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 2002 (2001: nil).

### **Directors and Their Interests**

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

C I Cowan (resigned 11 April 2002)

M McCafferty

R J Coates (appointed 11 April 2002) (resigned 31 October 2002)

M R Smith (appointed 31 October 2002)

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

C I Cowan, M R Smith and M McCafferty were also Directors of Avis Europe plc during the year. Their interests in the share capital of Avis Europe plc are disclosed in the statutory accounts of that company.

## **AVIS LICENCE HOLDINGS LIMITED**

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

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

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

The directors consider that in preparing the financial statements on pages 4 to 7 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

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

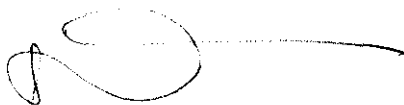
The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

#### **Auditors**

Following the conversion of our auditors, PricewaterhouseCoopers, to a limited liability partnership ("LLP"), from 1 January 2003, PricewaterhouseCoopers resigned on 26 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. PricewaterhouseCoopers LLP will continue in office since the Company has elected to dispense with the annual reappointment of auditors as permitted by Section 386 of the Companies Act 1985.

By Order of the Board



J A Nicholson  
Company Secretary  
28 November 2003

## **AVIS LICENCE HOLDINGS LIMITED**

### **Independent auditors' report to the members of Avis Licence Holdings Limited**

We have audited the financial statements which comprise the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the Company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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

#### **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 2002 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London,

28 November 2003

# AVIS LICENCE HOLDINGS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2002

	<u>Notes</u>	31 December 2002 £	31 December 2001 £
<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 group undertakings		(4)	(4)
<b>Net current liabilities</b>		<u>(3)</u>	<u>(3)</u>
<b>Total assets less current liabilities</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called-up share capital	6	1	1
<b>Shareholders' funds - equity</b>	7	<u>1</u>	<u>1</u>

The notes on pages 5 and 7 form an integral part of these financial statements.

Approved by the Board on 28 November 2003



M Smith

Director

# **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 year.

### **2. Directors' emoluments and employees**

The Directors received no remuneration in respect of their services to the Company during the year (2001: nil).

The average number of Directors during the year was 2 (2001: 2). There were no other employees during the year (2001: nil).

### **3. Auditors' remuneration**

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

### **4. Taxation**

As the Company has been dormant during the year, there is no tax charge or credit.

## AVIS LICENCE HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 5. Investments

Details of the Company's 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 2002 £	31 December 2001 £
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 of movements in shareholders' funds

In both the current and preceding year, the result of the Company was nil . As there were no other recognised gains or losses, shareholders' funds have not moved in the year.

#### 8. Ultimate parent undertaking

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

## **AVIS LICENCE HOLDINGS LIMITED**

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

#### **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.