

AVIS CONTACT CENTRES LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE 68 WEEK PERIOD ENDED 31 DECEMBER 2000

REGISTERED NUMBER: 3837956



AVIS CONTACT CENTRES LIMITED

DIRECTORS' REPORT

The Directors present their first annual report and audited Financial Statements of the Company for the 68 week period ended 31 December 2000.

Incorporation

The Company was incorporated on 8 September 1999, and changed its name from Jetmet Limited to Avis Contact Centres Limited on 30 September 1999.

Principal Activities

The Company is principally engaged in the operation of a telephone call centre.

Review of the Business

The Company has performed satisfactorily throughout the period. The Directors expect the Company to continue to transact business as a reservation agent in the coming year.

Results and Dividends

The Company made a loss after taxation in the period of £1,586,000. No interim dividend was paid during the period. The Directors do not recommend the payment of a final dividend. The loss retained by the Company has been transferred to reserves.

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.

Directors and their Interests

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

C Cowan
M McCafferty

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

C I Cowan and M McCafferty are also Directors of Avis Europe plc. The interests of C I Cowan and M McCafferty in the share capital of Avis Europe plc are disclosed in the statutory accounts of that company.

AVIS CONTACT CENTRES LIMITED

DIRECTORS' REPORT

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 10 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.

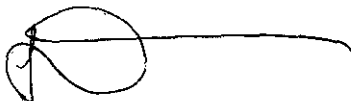
The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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.

Auditors

PricewaterhouseCoopers continue in office as Auditor 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
3 July 2001

AVIS CONTACT CENTRES LIMITED

AUDITORS' REPORT TO THE MEMBERS OF AVIS CONTACT CENTRES LIMITED

We have audited the financial statements on pages 4 to 10 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. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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.

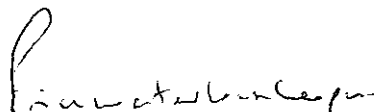
Basis of audit opinion

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 2000 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors.
London
3 July 2001

AVIS CONTACT CENTRES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE 68 WEEK PERIOD ENDED 31 DECEMBER 2000**

	<u>Notes</u>	68 week period ended 31 December 2000 <u>£000</u>
Turnover	1	3,181
Cost of Sales		(3,822)
Gross Loss		<u>(641)</u>
Administrative Expenses		(2,042)
Operating Loss	2	<u>(2,683)</u>
Net Interest Payable	3	(8)
Loss on Ordinary Activities Before Taxation		<u>(2,691)</u>
Taxation	6	1,105
Amount Deducted from Reserves	11	<u>(1,586)</u>

The Profit and Loss Account for the Company is entirely in respect of continuing operations.

All recognised gains and losses are included in the Profit and Loss Account.

The notes on pages 6 to 10 form part of these financial statements.

AVIS CONTACT CENTRES LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2000**

		31 December 2000 £000
	<u>Notes</u>	
Fixed Assets	7	3,606
Current Assets		
Debtors	8	3,235
Creditors: Amounts Falling Due Within One Year	9	(8,427)
Net Current Liabilities		<u>(5,192)</u>
Total Assets Less Current Liabilities being Net Liabilities		<u><u>(1,586)</u></u>
 Capital and Reserves		
Called-up Share Capital	10	-
Profit and Loss Account	11	(1,586)
Shareholder's Funds - Equity	11	<u><u>(1,586)</u></u>

The notes on pages 6 to 10 form part of these financial statements.

Approved by the Board on 3 July 2001



C I Cowan

Director

AVIS CONTACT CENTRES 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.

(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) Tangible Fixed Assets

Depreciation is calculated so as to write down the cost of tangible fixed assets to their residual value in equal instalments over their estimated useful lives, which are as follows:

Fixtures and Fittings – five years.

Plant and equipment - three to five years.

(d) Turnover

Turnover represents amounts invoiced for the handling of telephone reservations, net of VAT.

(e) Foreign Currency

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 Profit and Loss Account.

(f) Deferred Taxation

Deferred taxation in respect of timing differences between profits as computed for tax purposes and profits as stated in the Financial Statements is provided, on the liability method, only to the extent that there is a reasonable probability that such deferred tax will be payable in the foreseeable future.

AVIS CONTACT CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Operating Loss

68 week
period
ended
31 December 2000
£000

Operating Loss is stated after charging:

Depreciation on tangible fixed assets	302
Hire of plant and machinery	6
Foreign exchange loss	<u>29</u>

3. Net Interest Payable

68 week
period
ended
31 December 2000
£000

Payable on loans from group undertakings	9
Receivable on bank balances	(1)
	<u>8</u>

4. Directors' Emoluments and Employees

68 week
period
ended
31 December 2000
£000

Staff costs:

Wages and salaries	2,755
Social security costs	222
Pension costs	307
	<u>3,284</u>

The Directors received no remuneration in respect of their services to the Company during the period.

The average number of persons employed during the year, including Directors, was 242.

5. Auditor's Remuneration

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

AVIS CONTACT CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Taxation

	68 week period ended 31 December 2000 £000
Corporation tax at 30%	<u>1,105</u>

7. Tangible Fixed Assets

	Fixtures and Fittings £000	Plant and Equipment £000	Total £000
Cost:			
Additions	<u>15</u>	<u>3,893</u>	<u>3,908</u>
At 31 December 2000	<u>15</u>	<u>3,893</u>	<u>3,908</u>
Accumulated Depreciation:			
Charge for the year	<u>1</u>	<u>301</u>	<u>302</u>
At 31 December 2000	<u>1</u>	<u>301</u>	<u>302</u>
Net Book Value			
At 31 December 2000	<u>14</u>	<u>3,592</u>	<u>3,606</u>

8. Debtors

	31 December 2000 £000
Amounts owed by parent undertakings	29
Amounts owed by fellow subsidiary undertakings	2,101
Corporation tax	1,105
	<u>3,235</u>

9. Creditors: Amounts Falling Due Within One Year

	31 December 2000 £000
Trade creditors	3
Bank and other loans	1,245
Amounts owed to fellow subsidiary undertakings	6,830
Accruals and deferred income	168
Other creditors	181
	<u>8,427</u>

AVIS CONTACT CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Called-up Share Capital

31 December
2000
£

Authorised share capital:

5000 Ordinary Shares of £1 each

5000

Allotted and issued share capital:

2 Ordinary Shares of £1 each

2

The capital of the Company comprises only ordinary share capital participating equally as to dividends, voting rights and return of capital upon winding up.

11. Profit and Loss Account

68 week
period
ended
31 December 2000
£000

Loss deducted from reserves

being closing equity shareholder's funds

(1,586)

12. Financial Commitments

At 31 December 2000, the Company had the following annual commitments under operating leases in the year ending 31 December 2001:

Plant
and
Machinery
£000

Expiring between two and five years

10

13. Commitments and Contingencies

The Company has entered into a netting arrangement with its bankers, under which the Company's funds may be used to offset the liabilities of the other Group undertakings.

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

AVIS CONTACT CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Pension Costs

The Company participates in the group-wide pension scheme. Details of the Group's UK pension scheme are provided in the financial statements of Avis Europe plc.

15. 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.

16. 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.