

**AVIS CONTACT CENTRES LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2001**

**REGISTERED NUMBER: 3837956**



# **AVIS CONTACT CENTRES LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements of the Company for the year ended 31 December 2001.

### **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 year. The directors expect the Company to continue to transact business through the operation of a telephone call centre in the coming year.

### **Results and Dividends**

The Company made a loss after taxation in the year of £701,000 (68 week period ended 31 December 2000: £1,586,000). No interim dividend was paid during the year. The directors do not recommend the payment of a final dividend. The loss retained by the Company has been deducted from 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. The average number of days taken by the Company to pay creditors in 2001 was 15 days (2000: 15 days).

### **Directors and their Interests**

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

C Cowan (resigned 11 April 2002)  
M McCafferty  
D Woitscheck (appointed 11 April 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 McCafferty and D Woitscheck were also directors of Avis Europe plc during the year. The interests of C I Cowan, M McCafferty and D Woitscheck 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 11 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**

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  
16 September 2002

**AVIS CONTACT CENTRES LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVIS CONTACT**  
**CENTRES LIMITED**

We have audited the financial statements which comprise the profit and loss account, 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.

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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London  
16 September 2002

# AVIS CONTACT CENTRES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

		Year ended 31 December 2001 £000	68 week period ended 31 December 2000 £000
	<u>Notes</u>		
Turnover		7,516	3,181
Cost of sales		(5,092)	(3,822)
<b>Gross profit / (loss)</b>		2,424	(641)
Administrative expenses		(3,333)	(2,042)
<b>Operating loss</b>	2	(909)	(2,683)
Net interest payable	3	(147)	(8)
<b>Loss on ordinary activities before taxation</b>		(1,056)	(2,691)
Tax on loss on ordinary activities before taxation	6	355	1,105
<b>Loss on ordinary activities after taxation being amount deducted from reserves</b>	11	(701)	(1,586)

The Profit and loss account for the Company is entirely in respect of continuing operations.

In both the current and the prior year, all recognised gains and losses are included in the Profit and loss account and therefore a statement of recognised gains and losses has not been presented.

The notes on pages 6 to 11 form an integral part of these financial statements.

# AVIS CONTACT CENTRES LIMITED

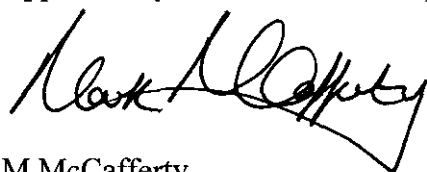
## BALANCE SHEET AS AT 31 DECEMBER 2001

		31 December 2001 <u>£000</u>	31 December 2000 <u>£000</u>
	<u>Notes</u>		
<b>Fixed assets</b>	7	2,486	3,606
<b>Current assets</b>			
Debtors*	8	3,848	3,240
<b>Creditors: amounts falling due within one year</b>	9	(8,616)	(8,427)
<b>Net current liabilities</b>		(4,768)	(5,187)
<b>Total assets less current liabilities being net liabilities</b>		<u>(2,282)</u>	<u>(1,581)</u>
<b>Capital and reserves</b>			
Called-up share capital*	10	5	5
Profit and loss account	11	(2,287)	(1,586)
<b>Shareholder's deficit – equity</b>	11	<u>(2,282)</u>	<u>(1,581)</u>

\*2000 as restated (see note 10).

The notes on pages 6 to 11 form an integral part of these financial statements.

Approved by the Board on 16 September 2002



M McCafferty

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

	Year ended 31 December 2001 <u>£000</u>	68 week period ended 31 December 2000 <u>£000</u>
Operating loss is stated after charging:		
Depreciation on tangible fixed assets	1,493	302
Hire of plant and machinery	10	6
Foreign exchange loss	<u>—</u>	<u>9</u>

### 3. Net interest payable

	Year ended 31 December 2001 <u>£000</u>	68 week period ended 31 December 2000 <u>£000</u>
Payable on loans from group undertakings	153	9
Receivable on bank balances	(6)	(1)
	<u>147</u>	<u>8</u>

### 4. Directors' emoluments and employees

	Year ended 31 December 2001 <u>£000</u>	68 week period ended 31 December 2000 <u>£000</u>
Aggregate emoluments:		
Remuneration for management services	<u>664</u>	<u>611</u>
M McCafferty participates in the Company's pension scheme. C I Cowan operated a personal pension plan.		
Highest paid Director's Emoluments		
Salary	<u>349</u>	<u>332</u>

The accrued pension of the highest paid Director at 31 December 2001 was £10,000 (2000: £8,000).



# AVIS CONTACT CENTRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

	Year ended 31 December 2001 <u>£000</u>	68 week period ended 31 December 2000 <u>£000</u>
Staff costs:		
Wages and salaries	3,725	2,755
Social security costs	292	222
Pension costs	475	307
	<u>4,492</u>	<u>3,284</u>

The Directors received no remuneration in respect of their services to the Company during the year (2000: nil).

The average number of persons employed during the year, including directors, was 251 (2000: 242).

### 5. Auditor's remuneration

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

### 6. Tax on loss on ordinary activities before taxation

	Year ended 31 December 2001 <u>£000</u>	68 week period ended 31 December 2000 <u>£000</u>
Corporation tax at 30%	<u>355</u>	<u>1,105</u>

# AVIS CONTACT CENTRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. Tangible fixed assets

	Fixtures and fittings <u>£000</u>	Plant and equipment <u>£000</u>	Total <u>£000</u>
Cost:			
At 1 January 2001	15	3,893	3,908
Additions	2	371	373
At 31 December 2001	<u>17</u>	<u>4,264</u>	<u>4,281</u>
Accumulated depreciation			
At 1 January 2001	1	301	302
Charge for the year	4	1,489	1,493
At 31 December 2001	<u>5</u>	<u>1,790</u>	<u>1,795</u>
Net book value			
At 31 December 2001	<u>12</u>	<u>2,474</u>	<u>2,486</u>
At 31 December 2000	<u>14</u>	<u>3,592</u>	<u>3,606</u>

### 8. Debtors

	31 December 2001 <u>£000</u>	31 December 2000 <u>£000</u>
Amounts owed by group undertakings*	2,231	2,135
Prepayments	157	-
Corporation tax	<u>1,460</u>	<u>1,105</u>
	<u>3,848</u>	<u>3,240</u>

\*2000 as restated (see note 10).

### 9. Creditors: amounts falling due within one year

	31 December 2001 <u>£000</u>	31 December 2000 <u>£000</u>
Bank loans and overdrafts	6	3
Trade creditors	137	3
Amounts owed to group undertakings	6,916	8,072
Accruals and deferred income	959	168
Other creditors	<u>598</u>	<u>181</u>
	<u>8,616</u>	<u>8,427</u>

# AVIS CONTACT CENTRES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. Called-up share capital

	31 December 2001 <u>£000</u>	31 December 2000 <u>£000</u>
Authorised, allotted, issued and fully paid share capital:		
5,000 Ordinary Shares of £1 each	<u>5</u>	<u>5</u>

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

The financial statements for the 68 week period ended 31 December 2000 have did not reflect the issue of 4,998 Ordinary Shares of £1 each to Avis Europe Holdings Limited, a fellow subsidiary undertaking. Accordingly, the comparative disclosures have been adjusted to reflect this correction.

### 11. Profit and loss account

	<u>£000</u>
At 1 January 2001	(1,586)
Amount deducted from reserves	(701)
At 31 December 2001	<u>(2,287)</u>

### 12. Financial commitments

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

	Plant and machinery <u>£000</u>	Plant and machinery <u>£000</u>
Expiring between two and five years	<u>10</u>	<u>10</u>

### 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.

Certain employees are members of Avis Europe plc group pension scheme a defined benefit scheme. The assets of this scheme are held in a separately administered fund. Contributions are determined by an independent, qualified actuary on the basis of triennial valuations using a minimum funding requirement valuation method. Whilst the scheme is a defined benefit scheme, the group is unable to identify its share of the underlying assets and liabilities of the scheme. The most recent valuation of the scheme was performed as at 30th June 1999 and updated to 31st December 2001. This valuation indicated a net deficit of £17,934k on the scheme. No amendment to the terms of the scheme has been proposed as a result of this deficit. Further details can be found in Avis Europe plc's financial statements for the year ended 31 December 2001.

#### **15. Ultimate parent undertaking**

The Company is a subsidiary undertaking of Avis Europe Holdings Limited which is part of the group of companies owned by Avis Europe plc. Both of 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.

#### **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.