

ZODIAC EUROPE FINANCE COMPANY LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

REGISTERED NUMBER: 4664457

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ZODIAC EUROPE FINANCE COMPANY LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 December 2009

Principal activities

The principal activity of the Company is to administer the issuance of prepaid vouchers for vehicle rental on behalf of fellow subsidiary companies operating under the Budget Rent A Car brand

Review of the business and future development

The Company has continued to perform as expected during the year with turnover at £214,000 (2008 £206,000) The Directors expect that the Company will continue to operate as the issuer of prepaid vouchers for vehicle rental under the Budget Rent A Car brand throughout the Europe, Middle East and Africa region in the coming year

Results and dividends

The Company made a profit after taxation in the year of £644,000 (2008 £413,000) No interim dividend was paid during the year (2008:nil) The Directors do not recommend the payment of a final dividend (2008 nil)

Financial risk management objectives and policies

The Directors consider that there is limited exposure to financial risk, as the majority of the Company's financial exposure is to other companies in the Avis Europe plc group. As such the Directors have not implemented a policy for the Company Instead, the Company's financial risk management objectives and policies are aligned to those of the Avis Europe plc group of companies, which are as disclosed in the consolidated Financial Statements of Avis Europe plc

Key Performance Indicators (KPIs)

The Directors of the Company are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Charitable and political donations

The Company made no charitable or political donations during the year (2008 nil)

Directors

The Directors of the Company during the year and up to the date of signing the Financial Statements are set out below

J McNicholas

M S Graham (resigned 5 June 2009)

O van Marcke de Lummen (appointed 5 June 2009)

S Nice (resigned 30 September 2009)

ZODIAC EUROPE FINANCE COMPANY LIMITED

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements, and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

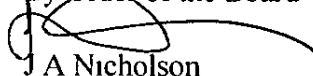
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

PricewaterhouseCoopers LLP will continue in office as permitted by section 487 of the Companies Act 2006.

By Order of the Board



J A Nicholson

Secretary

7 April 2010

ZODIAC EUROPE FINANCE COMPANY LIMITED

Independent auditors' report to the members of Zodiac Europe Finance Company Limited

We have audited the Financial Statements of Zodiac Europe Finance Company Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities set out in the Directors' Report 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

ZODIAC EUROPE FINANCE COMPANY LIMITED

Independent auditors' report to the members of Zodiac Europe Finance Company Limited (continued)

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



Sam Taylor (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Reading

8 April 2010

ZODIAC EUROPE FINANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	<u>Notes</u>	<u>2009</u> <u>£000</u>	<u>2008</u> <u>£000</u>
Turnover	2	214	206
Cost of sales		<u>(214)</u>	<u>(160)</u>
Gross profit		-	46
Other operating income	3	<u>464</u>	<u>230</u>
Operating profit		464	276
Interest receivable on loans to group undertakings		<u>180</u>	<u>137</u>
Profit on ordinary activities before taxation		644	413
Taxation on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the financial year	9	<u>644</u>	<u>413</u>

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

There is no difference between the profit on ordinary activities before taxation and the retained profit for financial the year stated above and their historical cost equivalents

All recognised gains and losses are included in the profit and loss account and therefore a separate statement of total recognised gains and losses has not been presented

The accompanying Notes on pages 7 to 11 form an integral part of these Financial Statements

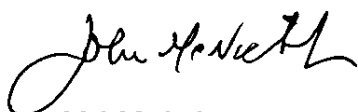
ZODIAC EUROPE FINANCE COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2009

	<u>Notes</u>	<u>2009</u> <u>£000</u>	<u>2008</u> <u>£000</u>
Current assets			
Debtors	6	3,219	2,381
Cash at bank and in hand		33	27
		<u>3,252</u>	<u>2,408</u>
Creditors: Amounts falling due within one year	7	<u>(2,025)</u>	<u>(1,825)</u>
Net current assets		<u>1,227</u>	<u>583</u>
Total assets less current liabilities being Net assets		<u>1,227</u>	<u>583</u>
Capital and reserves			
Called-up share capital	8	-	-
Profit and loss account	9	<u>1,227</u>	<u>583</u>
Total equity shareholder's funds	10	<u>1,227</u>	<u>583</u>

The Financial Statements on pages 5 to 11 were approved by the Board on 7 April 2010 and were signed on its behalf by



J McNicholas
Director
Zodiac Europe Finance Company Limited
Registered No 4664457

ZODIAC EUROPE FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. Accounting policies

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

(a) Basis of accounting

The Financial Statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and the Companies Act 2006

(b) Cash flow statement

The Company is included in the consolidated Financial Statements of Avis Europe plc, which are publicly available, and therefore has elected to utilise the exemption provided in Financial Reporting Standard 1, Cash Flow Statements (Revised 1996), and not produce a cash flow statement

(c) Deferred Taxation

The charge for taxation is based on the loss for the year and takes into account deferred taxation. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19, Deferred tax. A deferred tax asset is only recognised when there are expected to be suitable future taxable profits within the tax group against which to reverse the underlying timing differences.

(d) Turnover

Turnover comprises fees charged to Budget Rent A Car locations for administering the Budget prepaid voucher scheme. Revenue is recognised when the voucher is presented for payment by the renting location.

(e) Foreign currency

Assets and liabilities denominated in foreign currencies are translated into sterling 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.

ZODIAC EUROPE FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

2. Turnover

The principal activity of the Company is the issuance of prepaid vouchers for vehicle rental on behalf of fellow subsidiary companies and franchisees operating under the Budget Rent A Car brand. All turnover relates to commission earned on this activity and arose in the United Kingdom.

3. Operating profit

	2009	2008
	<u>£000</u>	<u>£000</u>
The operating profit is stated after crediting		
Release of unredeemed vouchers	<u>464</u>	<u>230</u>

The auditors' remuneration is borne by Zodiac Europe Limited, its parent undertaking.

4. Directors' emoluments and employees

Directors' emoluments

The Directors received no remuneration in respect of their services to the Company during the year (2008 nil).

The average monthly number of Directors during the year was 3 (2008 2). There were no other employees during the year (2008 nil).

ZODIAC EUROPE FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

5. Tax on profit on ordinary activities

(i) Analysis of charge in the year

There was no tax charge in the year (2008 nil)

(ii) Factors affecting the current tax charge for the year

The current tax charge for the year is lower (2008 lower) than the rate of UK corporation tax (28%)(2008 28 5%) and is explained as follows

	2009	2008
	<u>£000</u>	<u>£000</u>
Profit on ordinary activities before taxation	644	413
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28 5%)	180	118
Group relief received for nil consideration	(180)	(118)
Current tax charge	-	-

In 2008, the standard rate of 28 5% represents the change in rate as announced in the 2007 Budget (30% to 31 March 2008 and 28% thereafter)

6. Debtors

	2009	2008
	<u>£000</u>	<u>£000</u>
Trade debtors	49	50
Amounts owed by group undertakings	3,170	2,326
Other debtors	-	5
	<u>3,219</u>	<u>2,381</u>

Within amounts owed by group undertakings, £2,617,000 (2008 £1,802,000) is unsecured, is payable on demand by Avis Finance Company plc and carries an interest rate of 6 25% (2008 6 7%) The remaining balance of £553,000 (2008 £524,000) with other group undertakings is unsecured, interest free and payable on demand.

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)**

7. Creditors: Amounts falling due within one year

	2009	2008
	<u>£000</u>	<u>£000</u>
Trade creditors	2,021	1,816
Accruals and deferred income	<u>4</u>	<u>9</u>
	<u>2,025</u>	<u>1,825</u>

8. Share capital

	2009	2008
	<u>£</u>	<u>£</u>
Authorised share capital:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid share capital:		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

9. Profit and loss account

	2009
	<u>£000</u>
At 1 January	583
Profit for the financial year	<u>644</u>
At 31 December	<u>1,227</u>

10. Reconciliation of movements in equity shareholder's funds

	2009	2008
	<u>£000</u>	<u>£000</u>
Profit for the year being increase in shareholder's funds	644	413
Opening equity shareholder's funds	<u>583</u>	<u>170</u>
Closing equity shareholder's funds	<u>1,227</u>	<u>583</u>

ZODIAC EUROPE FINANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

11. Related party transactions

The Company has taken advantage of the exemption within paragraph 3(c) of FRS 8, Related party disclosures, 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 below.

12. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary undertaking of Zodiac Europe 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'leteren n.v., which is incorporated in Belgium. The Financial Statements of both companies can be obtained from Avis House, Park Road, Bracknell, Berkshire, RG12 2EW. The ultimate controlling party of s.a. D'leteren n.v. is the D'leteren family.