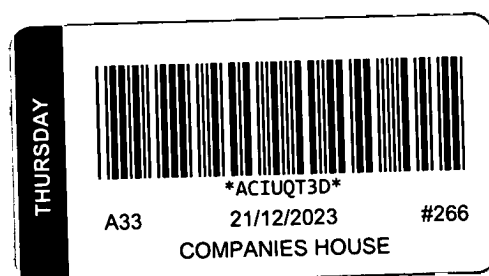


Registered number: 04664457

ZODIAC EUROPE FINANCE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



ZODIAC EUROPE FINANCE COMPANY LIMITED

COMPANY INFORMATION

Directors	P L Ford P Rankin
Company secretary	I Lall
Registered number	04664457
Registered office	Avis Budget House Park Road Bracknell Berkshire RG12 2EW
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

ZODIAC EUROPE FINANCE COMPANY LIMITED

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ZODIAC EUROPE FINANCE COMPANY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their Annual report and the audited Financial Statements for the year ended 31 December 2022.

Directors and indemnities

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

P L Ford
P Rankin

The Group has made qualifying third party indemnity provisions for the benefit of the Company's Directors during the year, which remains in force as of the reporting date.

Principal activity

The principal activity of the Company continued to be to administer the issuance of prepaid vouchers for vehicle rental on behalf of companies operating under the Budget Rent A Car brand throughout Europe, Middle East and Africa region. No change is expected to the Company's principal activity.

Results and dividends

The profit for the year, after taxation, amounted to €2,502,000 (2021: €1,351,000).

No interim dividend has been paid on the ordinary shares during the year (2021: €nil). The Directors do not recommend the payment of a final dividend on the ordinary shares (2021: €nil).

Going concern and future developments

At 31 December 2022, the Company had cash of €297,000 (2021: €348,000), net current assets of €23,719,000 (2021: €21,217,000) and continued to administer the issuance of prepaid vouchers for vehicle rentals. When preparing the Financial Statements, the Directors assessed the Company's ability to continue as a going concern.

Avis Budget Group, Inc. has indicated that it will continue to provide financial support to the Company for at least one year from the date of signing these Financial Statements. The Directors, having reviewed the Group's latest audited consolidated financial statements, are satisfied that at the time of approving the Financial Statements, it is appropriate to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in Note 2.2 of the Financial Statements.

Post balance sheet events

There have been no significant events affecting the Company since the year end. There have been no material adjusting or disclosable events since the financial year end.

Political contributions

The Company did not make any political or charitable donations in the year (2021: £nil).

ZODIAC EUROPE FINANCE COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the audited Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited Financial Statements for each financial year. Under that law the Directors have elected to prepare the audited Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the audited 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 audited Financial Statements, the Directors are required to:

- select suitable accounting policies for the Company's Financial Statements and then apply them consistently;
- make judgements 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;
- prepare the audited 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 to enable them to ensure that the audited 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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

ZODIAC EUROPE FINANCE COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

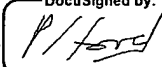
Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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P L Ford
Director

Date: 19-Dec-2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZODIAC EUROPE FINANCE COMPANY LIMITED

Opinion

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

We have audited the Financial Statements of Zodiac Europe Finance Company Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZODIAC EUROPE FINANCE COMPANY LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the Financial Statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZODIAC EUROPE FINANCE COMPANY LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, and determined that the most significant which are directly relevant to specific assertions in the Financial Statements are those related to the reporting framework (Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006);
- We determined how the entity is complying with these legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures, corroborating our enquiries through a review of board minutes;
- We used an engagement team with appropriate competence and capabilities to identify non-compliance with laws and regulations;
- We evaluated management's incentives and opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial position and management bias in accounting estimates. We considered the process controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those process controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and challenging the assumptions made by management in their significant accounting estimates.

Our audit procedures were designed to respond to risks of material misstatement in the Financial Statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we are to become aware of it.

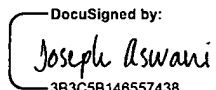
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZODIAC EUROPE FINANCE COMPANY
LIMITED (CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Joseph Aswani (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 19 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ZODIAC EUROPE FINANCE COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 €000	2021 €000
Revenue	4	702	388
Cost of sales		(387)	(173)
Gross profit		<u>315</u>	<u>215</u>
Administrative expenses		(196)	(430)
Other operating income		1,258	653
Operating profit	5	<u>1,377</u>	<u>438</u>
Finance income	8	1,154	945
Finance expense	9	(29)	(26)
Profit before tax		<u>2,502</u>	<u>1,357</u>
Tax on profit	10	-	(6)
Profit after taxation and total comprehensive income for the year		<u><u>2,502</u></u>	<u><u>1,351</u></u>

There were no recognised gains or losses for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

All results derive from continuing operations.

The notes on pages 11 to 19 form part of these Financial Statements.

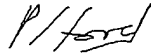
ZODIAC EUROPE FINANCE COMPANY LIMITED
REGISTERED NUMBER: 04664457

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 €000	2021 €000
Current assets			
Trade and other debtors	11	1,918	934
Other financial assets:			
- amounts owed by group companies	13	27,860	25,470
Cash at bank and in hand		297	348
		<u>30,075</u>	<u>26,752</u>
Trade and other creditors	12	(530)	(445)
Other financial liabilities:			
- amounts owed to group companies	13	(5,826)	(5,090)
		<u>23,719</u>	<u>21,217</u>
Net current assets		23,719	21,217
Net assets		<u>23,719</u>	<u>21,217</u>
Capital and reserves			
Called up share capital	14	-	-
Other reserves	15	189	189
Retained earnings	15	23,530	21,028
		<u>23,719</u>	<u>21,217</u>

The Company's Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Financial Statements were approved and authorised for issue by the board and were signed on its behalf on

DocuSigned by:

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P L Ford
 Director 19-Dec-2023

The notes on pages 11 to 19 form part of these Financial Statements.

ZODIAC EUROPE FINANCE COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital €000	Translation reserve €000	Retained earnings €000	Total equity €000
Balance at 1 January 2021	-	189	19,677	19,866
Comprehensive income for the year				
Profit and total comprehensive income for the year	-	-	1,351	1,351
Balance at 1 January 2022	-	189	21,028	21,217
Comprehensive income for the year				
Profit and total comprehensive income for the year	-	-	2,502	2,502
At 31 December 2022	-	189	23,530	23,719

The notes on pages 11 to 19 form part of these Financial Statements.

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

The Company is part of the Avis Budget Group, Inc. group of companies, a leading global provider of mobility solutions. The Company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of its registered office is Avis Budget House, Park Road, Bracknell, United Kingdom, RG12 2EW.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The Financial Statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including the Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instruments; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The Financial Statements of the Company are consolidated in the Financial Statements of Avis Budget Group, Inc. These consolidated financial statements are available from its registered office, 6 Sylvan Way, Parsippany, NJ 07054 and www.avisbudgetgroup.com

The following principal accounting policies have been applied consistently in all periods presented:

2.2 Going concern

At 31 December 2022, the Company had cash of €297,000 (2021: €348,000), net current assets of €23,719,000 (2021: €21,217,000). When preparing the Financial Statements, the Directors assessed the Company's ability to continue as a going concern.

Avis Budget Group, Inc. has indicated that it will continue to provide financial support to the Company for at least one year from the date of signing these Financial Statements. The Directors, having reviewed the Group's latest audited consolidated financial statements, are satisfied that at the time of approving the Financial Statements, it is appropriate to adopt the going concern basis in preparing the Financial Statements.

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined within 'administrative expenses' in the statement of comprehensive income.

2.4 Revenue

Revenue represents fees for services rendered to administer the prepaid voucher scheme for Budget branded rental locations. Revenue is measured at the fair value of the consideration received or receivable based on contractually agreed terms between the Company and entities operating the Budget brand under Avis Budget EMEA Limited including subsidiary companies, joint ventures, and licensees.

Revenue is recognised at the completion of services rendered when the Company has fulfilled its obligation and transferred the payment voucher to an entity within the Budget branded rental locations upon the rental services being completed. Services cannot be estimated reliably until such time as the end customer uses the prepaid voucher.

2.5 Cost of sales

Cost of sales includes fees paid to credit card providers to process Budget prepay related credit card transactions.

2.6 Finance income and expenses

Finance income represents interest received on amounts owed by group companies. Interest income is recognised in the Statement of Comprehensive Income using the effective interest method. Finance expenses are recognised in the period in which they are incurred and include bank charges.

2.7 Administrative expenses

Administrative expenses are recognised as an expense in the period in which they are incurred and include shared service centre recharges, audit fees and goodwill prepay refunds on cancellation fees.

2.8 Financial instruments

Financial assets

The classification of financial assets is determined at initial recognition depending on the purpose for which they were acquired. Any impairment is recognised in the statement of comprehensive income as it arises.

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Intercompany loans

Intercompany loans are measured at amortised cost using the effective interest method as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other debtors

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and Short term deposits

Cash comprises cash in hand, demand deposits and bank overdrafts. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within "borrowings" in "current liabilities" in the Statement of Financial Position.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Financial liabilities (including borrowings) are recognised initially at fair value, net of transaction costs. They are subsequently held at amortised cost unless part of a fair value hedge. Any difference between the amount on initial recognition and redemption value is recognised in the statement of comprehensive income using the effective interest method. Short term liabilities (including trade and other payables) are measured at original invoice amount.

Other creditors

Other creditors are measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.9 Other operating income

Other income represents modification fees incurred by the customer when creating a booking contract with the Company and subsequently modifying the booking contract, which is not deemed to be revenue earned from the primary operations of the Company. Modifications fees include cancellation fees, non-cancellation fees, and booking modifications such as returning the vehicle before the utilisation of the original rental voucher amount.

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.9 Other operating income (continued)**

Other income is recognized as the fair value of the consideration received for the modification fee and as the consideration has been prepaid the consideration has already been provided to the Company in advance of any modifications. Other income is recognised when the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; the stage of completion of the transaction at the end of the reporting period can be measured reliably the costs incurred for the transaction; and the costs to complete the transaction can be measured reliably.

2.10 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. 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. Deferred tax balances are not discounted.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Critical judgements

The Directors believe that there are no critical judgements applied in the preparation of the Financial Statements that the Company is required to disclose apart from those involving estimations, which are dealt with separately below.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Carrying values of intercompany balances

The Company has intercompany debtors and creditors, which it expects to be fully paid and received without a premium or discount. In assessing the recoverability of amounts to the Company by fellow group undertakings. Management has considered the anticipated cash flow within the wider group and the support from the ultimate parent company, and has deemed these balances recoverable.

Determination of intercompany transactions

To determine whether transactions with other subsidiary undertakings of the Company have been conducted on an arm's length basis, these decisions involve the input of internal and external tax advisors to the Company, including analysis of comparable companies and Groups who operate in similar markets to the Company.

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Revenue

An analysis of the Company's revenue by geographical market is set out below:

	2022	2021
	€000	€000
Europe	434	292
UK and Ireland	139	59
USA	89	9
Africa	25	19
Middle East	11	6
Other	4	3
	<u>702</u>	<u>388</u>

5. Operating profit

Operating profit for the year is stated after crediting/ (charging):

	2022	2021
	€000	€000
Foreign exchange losses	(103)	(92)
No show income	314	186
Understay income	844	240
Cancellation income	203	285
	<u>203</u>	<u>285</u>

6. Auditor's remuneration

The auditor's remuneration is borne by Avis Budget Services Limited, a fellow subsidiary undertaking. The cost has not been recharged to Zodiac Europe Finance Company Limited.

	2022	2021
	€000	€000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual Financial Statements	<u>6</u>	<u>6</u>

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Directors' remuneration

The Directors received no remuneration in respect of their services to the Company during the year (2021: €nil). The Directors are remunerated by other Group companies and it is not possible to accurately determine the allocation of the Director's remuneration related to the Company for the current or prior year.

The average monthly number of Directors during the year was 2 (2021: 2). There were no other employees during the year (2021: nil).

8. Finance income

	2022 €000	2021 €000
Interest receivable on loans to group undertakings	1,154	945
	<u>1,154</u>	<u>945</u>

9. Finance expense

	2022 €000	2021 €000
Bank charges	29	26
	<u>29</u>	<u>26</u>

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation

	2022 €000	2021 €000
Analysis of charge in the year		
Origination and reversal of timing differences	-	6
Total deferred tax	<u>-</u>	<u>6</u>

Factors affecting tax charge for the year

The standard rate of tax applied to the reported profit on ordinary activities is 19% (2021: 19%). The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2022 €000	2021 €000
Profit on ordinary activities before tax	<u>2,502</u>	<u>1,357</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	475	258
Effects of:		
Group relief received for nil consideration	(474)	(251)
Transfer pricing adjustments	(1)	(1)
Taxation for the year	<u>-</u>	<u>6</u>

Factors that may affect future tax charges

Legislation to increase the main rate of corporation tax from 19% to 25% with effect from 1 April 2023 is included in the Finance Act 2021 which was substantively enacted on 24 May 2021.

11. Trade and other debtors

	2022 €000	2021 €000
Trade debtors	<u>1,918</u>	<u>934</u>

ZODIAC EUROPE FINANCE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. Trade and other creditors

	2022	2021
	€000	€000
Other creditors	(494)	(407)
Other taxation and social security	(36)	(38)
	<u>(530)</u>	<u>(445)</u>

13. Intercompany items

	2022	2021
	€000	€000
Amounts owed by group companies	27,860	25,470
Amounts owed to group companies	(5,826)	(5,090)
Net amounts owed by group undertakings	<u>22,034</u>	<u>20,380</u>

Within amounts owed by group companies, €27,045,000 (2021: €24,128,000) relate to unsecured intercompany loans. These intercompany loans are interest bearing at a fixed rate with a weighted average cost at 31 December 2022 of 4.32% (2021: 4.13%). There were no floating rate intercompany loans. The remaining balance is unsecured, interest free and repayable on demand.

Amounts owed to group companies are unsecured, interest free and payable on demand.

Balance sheet amounts are stated net of provisions for doubtful debts, and accordingly the maximum credit risk exposure is the carrying amount of the amounts owed by group undertakings. No allowance for bad debts has been made as all amounts owed by group undertakings are expected to be fully recoverable.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Share capital

	2022 €	2021 €
Authorised		
100 Ordinary shares of £1.00 each (EUR 1.42 each)	153	153

Alloted, issued and fully paid

1 Ordinary share of £1.00 each	1	1
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The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

15. Reserves**Translation reserve**

The translation reserve represents the cumulative exchange difference arising from the change in functional currency in 2016 from Sterling to Euros.

Retained earnings

The retained earnings reserve represents cumulative profit and losses net of dividends paid and other adjustments.

16. Controlling party

The Company is a subsidiary undertaking of Zodiac Europe Limited. The parent undertaking's registered address is Avis Budget House, Park Road, Bracknell, United Kingdom, RG12 2EW. The largest and smallest parent undertaking to consolidate the Financial Statements of the Company is Avis Budget Group, Inc., 6 Sylvan Way, Parsippany, NJ 07054, which is incorporated in the United States of America and registered on NASDAQ. The Financial Statements of Avis Budget Group, Inc. are publicly available at the registered office 6 Sylvan Way, Parsippany, NJ 07054 and www.avisbudgetgroup.com.