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**SCEPTRE – EUROPE LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1999

**Company Number : 3337481**

**SCEPTRE – EUROPE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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Company registration number: 3337481

Registered office: Victoria House  
150 – 182 The Quays  
Salford Quays  
Manchester  
M5 2SP

Directors: C I Cowan  
M McCafferty  
J Ralph  
M J White

Secretary: J A Nicholson

Bankers: National Westminster Bank PLC  
100 Barbirolli Square  
Manchester

Solicitors: Freshfields Bruckhaus Deringer  
65 Fleet Street  
London

Auditors: PricewaterhouseCoopers  
101 Barbirolli Square  
Manchester

**SCEPTRE – EUROPE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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# **SCEPTRE - EUROPE LIMITED**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

The Directors present their report together with the financial statements for the year ended 31 December 1999.

### **Principal Activities**

The Company is principally engaged in motor vehicle contract hire.

### **Business Review**

The loss after taxation for the year ended December 1999 amounted to £10,078 (5 months ended 31 December 1998: £3,515)

The Directors anticipate that the Company will continue to perform satisfactorily in the forthcoming year.

### **Directors**

The Directors who served during the year and their beneficial interests in the share capital of Avis Europe plc are set out below:

	<b>31 December 1999</b>		<b>31 December 1998</b>	
	<b>Ordinary shares</b>	<b>Share options</b>	<b>Ordinary Shares</b>	<b>Share options</b>
C T Norman (resigned 31 December 1999)	-	-	-	-
D O Maloney (resigned 31 March 1999)	-	-	-	-
M McCafferty	See note below	See note below	See note below	See note below
C I Cowan (appointed 26 November 1999)	See note below	See note below	See note below	See note below
J Ralph (appointed 26 November 1999)	7,000	49,500	26,000	24,500
M J White (appointed 26 November 1999)	26,000	117,000	26,000	117,000

No Directors held any interest in the share capital of the Company at 31 December 1999 or at any time during the year.

The company is a wholly owned subsidiary of Avis Europe plc.

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

### **Directors' responsibilities for the financial statements**

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to:

- i. select suitable accounting policies and then apply them consistently
- ii. make judgements and estimates that are reasonable and prudent
- iii. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- iv. 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 proper accounting records, for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

**SCEPTRE - EUROPE LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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**Auditors**

PricewaterhouseCoopers offer themselves for re-appointment in accordance with Section 385 of the Companies Act 1985.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

**J A Nicholson**  
**Secretary**

**16 October 2000**

# REPORT OF THE AUDITORS TO THE MEMBERS OF

## SCEPTRE - EUROPE LIMITED

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We have audited the financial statements on pages 7 to 14, which have been prepared under the historical cost convention and the accounting policies set out on page 9.

### Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report. As described on page 4, 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 1999 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.  
Manchester  
16 October 2000

**SCEPTRE - EUROPE LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED DECEMBER 1999**

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		<b>12 months to 31 December 1999 £</b>	<b>5 months to 31 December 1998 £</b>
	<b>Note</b>		
<b>Turnover</b>	1	3,639	13,244
Administrative expenses	1	(13,703)	(18,259)
<b>Operating loss</b>		<hr/> (10,064)	<hr/> (5,015)
Interest payable	4	(14)	-
<b>Loss on ordinary activities before taxation</b>		<hr/> (10,078)	<hr/> (5,015)
Tax on loss on ordinary activities	5	-	1,500
<b>Loss on ordinary activities after taxation</b>		<hr/> (10,078) <hr/>	<hr/> (3,515) <hr/>

All recognised gains and losses are included in the profit and loss account.

The accompanying accounting policies and notes form an integral part of these financial statements.

**SCEPTRE - EUROPE LIMITED****BALANCE SHEET**

AT 31 DECEMBER 1999

	Note	31 December 1999 £	31 December 1998 £
<b>Fixed assets</b>			
Tangible assets	6	-	84,977
<b>Current assets</b>			
Debtors	7	1,578	770
Cash at bank and in hand		-	10,327
		1,578	11,097
<b>Creditors: amounts falling due within one year</b>	8	(29,862)	(114,280)
<b>Net current liabilities</b>		(28,284)	(103,183)
<b>Total assets less current liabilities</b>		(28,284)	(18,206)
<b>Net liabilities</b>		(28,284)	(18,206)
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account	10	(28,384)	(18,306)
<b>Equity shareholders' funds</b>	11	(28,284)	(18,206)

The financial statements were approved by the Board of Directors on 16 October 2000.



C I Cowan  
Director

The accompanying accounting policies and notes form an integral part of these financial statements.



**STATEMENT OF ACCOUNTING POLICIES**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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**Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the Company have remained unchanged from the previous year and are set out below.

**Income recognition**

***Turnover***

Turnover represents motor vehicle contract hire accounts invoiced.

**Depreciation**

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are:

Motor vehicles	25% calculated monthly
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**Cash flow statement**

The Company, which is a wholly owned subsidiary, has elected to utilise the exemption provided in Financial Reporting Standard 1 (revised) and not produce a cash flow statement.

**Deferred tax**

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

**1. TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The turnover and profit on ordinary activities before taxation are attributable to the contract hire of motor vehicles, which is carried on entirely within the United Kingdom.

**Turnover is attributable to the following classes of business :**

	<b>12 months to 31 December 1999 £</b>	<b>5 months to 31 December 1998 £</b>
Contract hire business	3,639	13,244
	<u>3,639</u>	<u>13,244</u>

**Loss on ordinary activities before taxation is stated after charging :**

	<b>12 Months to 31 December 1999 £</b>	<b>5 Months to 31 December 1998 £</b>
Depreciation of tangible fixed assets	2,566	17,534
Loss / (Profit) on sale of tangible fixed assets	10,517	(3,883)
Auditors' remuneration		
Audit services	500	4,300
Other administrative expenses	120	308
Administrative expenses	<u>13,703</u>	<u>18,259</u>

**2. DIRECTORS' EMOLUMENTS**

The Directors received no emoluments in respect of their services to the company during the year.  
(5 months ended 31 December 1998: Nil)

**3. EMPLOYEE INFORMATION**

The average number of directors during the year was 4 (5 months ended 31 December 1998: 2).  
There were no other employees (5 months ended 31 December 1998: Nil).

**4. NET INTEREST PAYABLE**

	<b>12 months to 31 December 1999 £</b>	<b>5 months to 31 December 1998 £</b>
On bank loans, overdrafts and other loans	14	-

**5. TAX ON LOSS ON ORDINARY ACTIVITIES**

The tax charge is based on the loss for the year and represents:

	<b>12 months to 31 December 1999 £</b>	<b>5 months to 31 December 1998 £</b>
Current year		
Corporation tax at 30%	-	-
Group relief	-	(1,500)
	-	(1,500)

Tax losses will be surrendered by the company to undertakings of the Avis Europe plc Group. The Directors do not consider that the company will be paid for these losses.

**6. TANGIBLE FIXED ASSETS**

	<b>Motor Vehicles</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 1999	120,404
Additions	-
Disposals	(120,404)
At 31 December 1999	<u>-</u>
<b>Depreciation</b>	
At 1 January 1999	35,427
Provided in the year	2,566
Disposals	(37,993)
At 31 December 1999	<u>-</u>
<b>Net book amount</b> at 31 December 1999	<u>-</u>
<b>Net book amount</b> at 1 January 1999	<u>84,977</u>

**7. DEBTORS**

	<b>31 December 1999 £</b>	<b>31 December 1998 £</b>
Other debtors	1,578	770
	<u>1,578</u>	<u>770</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 December 1999 £</b>	<b>31 December 1998 £</b>
Amounts due to group undertakings	28,862	105,408
Trade creditors	-	7,372
Accruals	1,000	1,500
	<u>29,862</u>	<u>114,280</u>

**9. SHARE CAPITAL**

	<b>31 December 1999 £</b>	<b>31 December 1998 £</b>
Authorised, 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**10. SHARE PREMIUM AND RESERVES**

	<b>Profit and loss account £</b>
At 1 January 1999	(18,306)
Loss for the year	(10,078)
At 31 December 1999	<u>(28,384)</u>

**11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>12 months to 31 December 1999 £</b>	<b>5 months to 31 December 1998 £</b>
Loss for the period	(10,078)	(3,515)
Opening equity shareholders' funds	(18,206)	(14,691)
Closing equity shareholders' funds	<u>(28,284)</u>	<u>(18,206)</u>

**12. TRANSACTIONS WITH RELATED PARTIES**

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 below.

During the year the Company sold two motor vehicles to Mr C T Norman, a director of the Company for £37,872. The vehicles were sold at realisable market values and the transactions were conducted on an arm's length basis.

**13. GROUP SUPPORT**

The Directors of Avis Europe plc have confirmed that they will continue to provide ongoing financial support to allow the Company to meet its obligations as they fall due for the foreseeable future.

**14. ULTIMATE HOLDING COMPANY**

The company is a wholly owned subsidiary of Avis Europe plc. Avis Europe plc is the smallest parent undertaking to consolidate the financial statements of the company.

The company's ultimate parent undertaking is s.a. D'Ieteren n.v. is incorporated in Belgium. s.a. D'Ieteren n.v. is the largest company that consolidates the results of the company. The ultimate controlling party of s.a. D'Ieteren n.v. is the D'Ieteren family. Copies of the financial statements of s.a. D'Ieteren n.v. and Avis Europe plc are available from Avis House, Park Road, Bracknell, Berkshire RG12 2EW.