

4525217

# **Zipcar (UK) Limited**

## **Report and Financial Statements**

For the year ended 31 December 2012

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## **Zipcar (UK) Limited**

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Registered No 4525217

### **Directors**

M W J Walker

D B Wyshner

M K Tucker

W S Deaver

### **Secretary**

M W J Walker

### **Independent auditors**

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

### **Registered Office**

Melbury House

51 Wimbledon Hill Road

London

United Kingdom

SW19 7QW

## Directors' report

The directors present their report with the audited financial statements of the company for the year ended 31 December 2012

### Principal activity

Zipcar's principal activity during the year was car and van rental. Bookings can be made online 24 hours a day, seven days a week by registered customers ("members") who are billed daily for the amount they have used the cars.

### Results and dividends

The result before taxation for the financial year was a loss of £3,657,000 (2011: £4,573,000 loss).

No dividends will be paid for the year ended 31 December 2012 (2011: £nil).

### Review of business

In 2012, Zipcar (UK) Limited achieved another year of strong growth with turnover growing by 11% to £27.6 million, on top of 14% turnover growth in 2011. This revenue was driven by strong usage amongst our membership base and is clearly demonstrating the market need for convenient mobility solutions for urban populations.

The business has continued to focus on ensuring the optimal distribution of the fleet to ensure they are located where the membership base requires them, thus continuing to support fleet utilisation and asset usage.

Both of the above combined with a strong cost control environment have supported the reduction in operating loss from £4.55m to £3.6m.

The Directors expect the Company to continue to transact business as a car sharing company in the coming year and forecast a stable market with plans to build on a strong cost control program. Looking to the future, the market potential for this service in the UK is significant, which presents a good opportunity for Zipcar to continue its strong growth in both scale and profitability.

The company's key performance indicators are as detailed in this review:

- Revenue
- Profit before tax
- Gross new members
- Vehicle utilisation

### Future developments and key risks

The business is expected to grow moderately in 2013, with significant emphasis being placed on profitable growth. The directors believe that the business has sufficient funding, from the Zipcar group and external sources, to finance this planned growth throughout 2013 and beyond. The key risks to the business are associated with the impact of economic conditions on our ability to generate revenue and recruit new members, and the careful management of cash flow.

### Financial Risk Management

The management of the business and the execution of the company's strategy are subject to a number of financial risks, the most significant of which are interest rate risk, liquidity risk and credit risk. The company has limited exposure to foreign exchange risk.

#### *Interest rate risk*

The majority of the company's borrowings are on floating interest rates. The board continually monitors economic conditions and their likely effect on future interest rates and the resulting impact on the business.

## Directors' report

### *Liquidity risk*

Cash flow forecasting is performed and monitored by the company to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom so that it does not breach its covenant. The board monitors continually cash flow forecasts.

### *Credit risk*

The company has no significant concentrations of credit risk. The board has mitigated credit risk by ensuring appropriate checks are undertaken on customers prior to sales being made.

### **Financial instruments**

The company's policy is not to trade in complex financial instruments. Surplus cash is placed in short term treasury deposits. Vehicles are funded using Hire Purchase agreements with major banks with fixed or floating rates of interest.

### **Research and development**

The company continues to invest in the development of its IT infrastructure to provide the best possible service for its members, and also to provide reliable management information. Development in 2012 focused on continuing to improve our website, remote applications and call answering facilities in order to improve the standard of service offered to our members.

### **Political and charitable donations**

No political or charitable donations were made during the year.

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M W J Walker

J Zeitler (Resigned 13 September 2012)

E G Goldfinger (Resigned 10 September 2013)

S W Griffith (Resigned 10 September 2013)

F M Feller (Resigned 10 September 2013)

D Breda (Resigned 10 September 2013)

D B Wyshner (Appointed 10 September 2013)

M K Tucker (Appointed 10 September 2013)

W S Deaver (Appointed 10 September 2013)

### **Post Balance Sheet Events**

On 14 March 2013, Avis Budget Group completed its acquisition of Zipcar Inc.

### **Policy and practice on payment to creditors**

The company's strategy is to build mutually beneficial relationships with its suppliers and it agrees terms when entering into binding purchase contracts. When the company is satisfied that a supplier has provided the goods or services in accordance with those agreed terms, the company's policy is to pay in accordance with those terms. The creditor days at 31 December 2012 was 30 days (2011: 30 days).

## Directors' report

### Statement of Directors Responsibilities

The directors are responsible for preparing the Directors' Report and the 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 prepared 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 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 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 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.

### Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

Each director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the Company auditors are aware of that information.

By order of the board



M W J Walker  
Director  
25 September 2013

## **Independent auditors' report**

to the members of Zipcar (UK) Limited

We have audited the financial statements of Zipcar (UK) Limited for the year ended 31 December 2012 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 on page 4 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2012 and of its loss 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.

## Independent auditors' report

to the members of Zipcar (UK) 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



Mark Jordan (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

25/9/13

## Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
<b>Turnover</b>	3	27,596	24,800
Cost of sales		(18,164)	(17,419)
<b>Gross profit</b>		9,432	7,381
Administrative expenses		(12,834)	(11,298)
Comprising			
Administrative expenses – before exceptional items		(12,834)	(10,397)
Administrative expenses of exceptional nature	7	-	(901)
<b>Operating loss</b>		(3,402)	(3,917)
Loss on disposal of fixed assets		(211)	(634)
<b>Operating loss after exceptional items</b>	4	(3,613)	(4,551)
Interest receivable and similar income		4	-
Interest payable and similar charges	8	(48)	(22)
<b>Loss on ordinary activities before taxation</b>		(3,657)	(4,573)
Tax on Loss on Ordinary Activities	9	-	-
<b>Loss for the financial year</b>	17	(3,657)	(4,573)

The results above all arise from continuing operations

There are no material differences between the loss (2011 loss) on ordinary activities before taxation and the loss (2011 loss) for the financial year stated above and their historic cost equivalents

The company has no recognised gains or losses, other than these included in the results above, and therefore no separate statement of recognised gains and losses has been presented



**Balance sheet**

at 31 December 2012

	Notes	2012 £000	2011 £000
<b>Fixed assets</b>			
Tangible assets	10	19,701	17,369
Investments	11	-	-
		<u>19,701</u>	<u>17,369</u>
<b>Current assets</b>			
Debtors	12	1,938	3,506
Cash at bank and in hand	13	1,064	1,647
		<u>3,002</u>	<u>5,153</u>
<b>Creditors</b> , amounts falling due within one year			
Trade and other payables	14	(17,630)	(17,503)
Financial liabilities	15	(8,273)	(7,356)
		<u>(25,903)</u>	<u>(24,859)</u>
<b>Net current liabilities</b>		<u>(22,901)</u>	<u>(19,706)</u>
<b>Total assets less current liabilities</b>		<u>(3,200)</u>	<u>(2,337)</u>
<b>Creditors</b> , amounts falling due after more than one year			
Financial liabilities	15	(10,059)	(7,253)
Deferred income		(365)	(377)
		<u>(10,424)</u>	<u>(7,630)</u>
<b>Net liabilities</b>		<u>(13,624)</u>	<u>(9,967)</u>
<b>Capital and reserves</b>			
Called up share capital	16	62	62
Share premium account	17	3,703	3,703
Profit and loss account	17	(17,389)	(13,732)
		<u>(13,624)</u>	<u>(9,967)</u>
<b>Total shareholders Deficit</b>		<u>(13,624)</u>	<u>(9,967)</u>

The financial statements on pages 7 to 18 were approved by the Board of Directors on and were signed on its behalf by



M Walker  
Director

## Notes to the financial statements

at 31 December 2012

### 1. Authorisation of financial statements

The financial statements of Zipcar (UK) Limited for the year ended 31 December 2012 were authorised for issue by the board of Directors on 25 September 2013 and the balance sheet was signed on the board's behalf by two directors. Zipcar (UK) Limited is a private limited company incorporated and domiciled in England and Wales.

The principal accounting policies adopted by the company are set out in note 2.

### 2. Accounting policies

#### *Basis of preparation*

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year except for changes arising on the adoption of new accounting standards, are set out below. The financial statements have been prepared on the basis that the company will continue in business for the foreseeable future. The company has sufficient committed car funding facilities to allow for future growth plans, and over time, the company expects to be profitable and cash generative. The directors believe that preparing on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Avis Budget Group. The directors have received confirmation that Avis Budget Group intend to support the company for at least one year after these financial statements are signed.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

The company has taken the exemption available in FRS 1 and has not prepared a cash flow statement as it is a subsidiary, whose voting rights are 100% controlled within the group, and the group financial statements are publically available.

#### *Turnover*

Turnover, which is shown net of value added tax, includes the following elements:

- |                           |   |  |
|---------------------------|---|--|
| Car rental income         | – | Recognised based on usage by members. Where usage is included in an arrangement including other elements, such as joining fees, turnover is based upon the fair value of usage in proportion to the overall fair value of the entire arrangement.  |
| Membership fees           | – | Recognised rateably over the life of the contractual membership period. Where membership fees are included in an arrangement including other elements, such as free usage, the fair value of the other element is recognised separately and the remaining value of the transaction is recognised as membership fees. |
| Damage waiver fees        | – | Recognised over the period of cover.   |
| Local authority subsidies | – | Recognised upon completion of the contract milestone.  |

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets as follows:

- |                               |   |                             |
|-------------------------------|---|-----------------------------|
| Motor vehicles                | – | 10% to 22% (see below)      |
| Vehicle modifications         | – | 25% per annum straight line |
| Office and computer equipment | – | 33% per annum straight line |

Individual vehicle types are depreciated at different rates depending on the expected holding period and residual value for that vehicle type.

The carrying values of these assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable

## Notes to the financial statements

at 31 December 2012

### 2. Accounting policies (Continued)

amount Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively

An item of tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset Any gain or loss arising on de-recognition of the asset is included in the profit and loss account

#### **Leases and hire purchase commitments**

Assets held under finance leases, which transfer to the company substantially all the risks and benefits of ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments Lease payments are apportioned between the reduction of the lease liability and finance charges in the profit and loss account so as to achieve a consistent rate of interest on the remaining balance of the liability Assets held under finance leases are depreciated to their estimated residual value over their estimated useful lives

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged to the profit and loss account on a straight line basis over the lease term Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term or, if shorter, the period ending when prevailing market rentals will become payable

#### **Deferred tax**

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 Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

#### **Interest**

Interest payable on bank loans and overdrafts as well as other loans are included in interest payable Hire purchase interest expense is included in cost of sales

#### **Cost of sales**

Cost of sales includes the following items Fuel costs, parking expenses, insurance, vehicle damage and maintenance costs, fines, congestion charging, vehicle registration and tax costs, depreciation and hire purchase interest costs

#### **Financial Instruments**

##### **Trade debtors**

Trade debtors are measured on initial recognition at fair value and subsequently measured at amortised cost using the effective net interest method Appropriate provisions for impairment are recognised when there is objective evidence that the full amount is not collectible When a trade debtor is uncollectible, it is written off against an allowance account

## Notes to the financial statements

at 31 December 2012

### 2. Accounting policies (Continued)

#### *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within creditors in current liabilities on the balance sheet.

#### *Trade creditors*

Trade creditors are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

### 3. Turnover on ordinary activities

The company's turnover and loss before taxation was all earned in the primary business segment, namely short term vehicle rental, and in the United Kingdom.

The major revenue streams of the business arise from the rental of vehicles (usage), the sale of annual memberships and the sale of damage waiver reductions.

### 4. Operating loss after exceptional items

The operating loss after exceptional items is stated after charging

	2012 £000	2011 £000
Depreciation of owned assets	398	1,522
Depreciation of assets held under finance leases	4,987	3,856
Loss on disposal of tangible fixed assets	211	1,551
Operating lease rentals – offices	213	212
Loss on writing off fuel stock	-	68
	<u>          </u>	<u>          </u>

### 5. Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2012 £000	2011 £000
Fees payable for the audit	25	25
	<u>          </u>	<u>          </u>

## Notes to the financial statements

at 31 December 2012

### 6.

#### Staff costs and directors' emoluments

##### (a) Staff costs

	2012 £000	2011 £000
Wages and salaries	6,031	6,100
Tax, benefits & social security costs	597	542
	<u>6,628</u>	<u>6,642</u>

The company operates a non-contributory stakeholder pension scheme, open to all employees

The share based award scheme was terminated during the prior year and no new scheme was established

##### (b) The average monthly number of employees during the year was made up as follows

	2012 No	2011 No
Executive directors	3	2
Sales and advertising	23	31
Administration	175	165
	<u>201</u>	<u>198</u>

##### (c) Directors' emoluments

	2012 £000	2011 £000
Executive directors' emoluments (included in (a) above)	759	251
Non-executive directors' fees (not included in (a))	-	-
	<u>759</u>	<u>251</u>

The aggregate emoluments of the highest paid director during the year were £432,007 (31 December 2011 - £130,000) The highest paid director did not exercise any share options during the year

## Notes to the financial statements

at 31 December 2012

### 7. Administrative expenses of exceptional nature

	2012 £000	2011 £000
Costs associated with the integration	-	901
	<u>-</u>	<u>901</u>

### 8. Interest payable and similar charges

	2012 £000	2011 £000
Insurance premium finance	48	22
	<u>48</u>	<u>22</u>

The company also incurred hire purchase interest charges of £755,000 (31 December 2011 – £747,000), included within cost of sales

### 9. Tax on Loss on ordinary activities

(a) Current tax charged in the profit and loss account

	2012 £000	2011 £000
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>

The tax assessed for the year is higher (2011 higher) than the standard rate of corporation tax in the UK (24%)

The 2012 Budget Statement announced a reduction of the main rate of corporation tax for the financial year 2012 to 24%. Further reductions are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014

The proposed reductions of the main rate of corporation tax by 1% per year to 22% by 1 April 2014 are expected to be enacted separately each year. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

## Notes to the financial statements

at 31 December 2012

### 9. Tax on loss on ordinary activities (continued)

#### (b) Reconciliation of the current tax charge

	2012 £000	2011 £000
Loss on ordinary activities before taxation	(3,657)	(4,573)
Loss on ordinary activities multiplied by the UK standard rate of corporation tax of 24.5% (2010 – 26.49%)	(896)	(1,212)
Fixed asset differences	6	-
Expenses not deductible for tax purposes	22	(163)
Capital allowances in excess of depreciation	119	1,332
Other timing differences	(18)	43
Unrelieved tax losses	767	-
Total tax charge reported in the profit and loss account	-	-

#### (c) Unrecognised deferred tax asset

The Company has tax losses and depreciation in excess of capital allowances which arose in the UK of £20,301,000 (2011 – £13,837,000). The tax effect of these amounts would be a deferred tax asset of £5,775,000 (2011 – £3,198,000). These losses are available indefinitely for offset against future taxable profits of the company. Deferred tax assets have not been recognised in respect of these losses as the company has not yet demonstrated levels of profitability to support the recognition of a deferred tax asset.

### 10. Tangible assets

	Motor vehicles £000	Vehicle modifications £000	Office and computer equipment £000	Total £000
Cost				
At 1 January 2012	20,639	1,074	948	22,661
Reclassification of brought forward balances	340	87	77	504
Additions	15,249	116	120	15,485
Disposals	(13,323)	-	-	(13,323)
At 31 December 2012	22,905	1,277	1,145	25,327
Accumulated depreciation				
At 1 January 2012	4,182	448	662	5,292
Reclassification of brought forward balances	340	87	77	504
Charge for year	4,987	200	198	5,385
Disposals	(5,555)	-	-	(5,555)
At 31 December 2012	3,954	735	937	5,626
Net Book Value				
At 31 December 2012	18,951	542	208	19,701

# Notes to the financial statements

at 31 December 2012

At 1 January 2012	16,457	626	286	17,369
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A reclassification between cost and accumulated depreciation brought forward balances was made in order to correct a prior year classification error

## 10. Tangible assets (continued)

### *Assets held under finance leases and hire purchase contracts*

All motor vehicles are financed under hire purchase arrangements and are pledged security against the balances detailed in note 15. Motors vehicles are used in the company's car rental business and as such are held for use under short term leases

## 11. Investments

The company has a 100% interest in Prolita Limited, a company registered in England and Wales that was incorporated on 1 June 2007. This investment is of 1 ordinary share of £1. Prolita Limited does not trade.

The company has taken advantage of the exemption in sections 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that the investment is immaterial.

## 12. Debtors

	2012 £000	2011 £000
Trade debtors	804	2,104
Other debtors	42	251
Deposits and prepayments	1,092	1,141
Accrued income	-	10
	<u>1,938</u>	<u>3,506</u>

## 13. Cash at bank and in hand

	2012 £000	2011 £000
Cash at bank and in hand	1,064	1,647
	<u>1,064</u>	<u>1,647</u>



## Notes to the financial statements

at 31 December 2012

### 14. Trade and other payables

	2012 £000	2011 £000
Trade creditors	659	1,428
Intercompany Loan	11,365	10,821
Taxation and Social Security	1,162	1,705
Other Creditors	312	120
Accruals and deferred income	4,132	3,429
	<u>17,630</u>	<u>17,503</u>

These amounts are all due within one year or payable on demand

In accordance with Zipcar group operating policy, the company no longer requires members to make deposits on joining the service. Historic deposits exist for members that have not yet converted their membership from Streetcar to Zipcar and are recorded under trade creditors.

The intercompany loan is non-interest bearing, unsecured and repayable on demand.

### 15. Financial liabilities

	2012 £000	2011 £000
Falling due within one year		
Obligations under hire purchase contracts	8,273	7,356
	<u>8,273</u>	<u>7,356</u>
Falling due after one year		
Obligations under hire purchase contracts	10,059	7,253
	<u>10,059</u>	<u>7,253</u>

# Notes to the financial statements

at 31 December 2012

## 15. Financial liabilities (continued)

### *Obligations under hire purchase contracts*

The company uses hire purchase contracts to acquire motor vehicles. Future minimum lease payments under hire purchase contracts are as follows:

	2012 £000	2011 £000
Net obligations repayable		
Within one year	8,273	7,356
Between one and two years	9,661	7,050
Between two and five years	398	203
In more than five years	-	-
	<u>18,332</u>	<u>14,609</u>

### *Obligations under operating leases*

The company has operating lease agreements in place for its two offices. One of the leases expired in September 2012 at which point a new lease was signed on the same office. Both leases have a break clause in January 2015. Obligations under these leases for the forthcoming year comprise:

	2012 £000	2011 £000
Net annual obligations repayable		
Expiring in years two to five	224	230
Expiring in more than five years	274	-
	<u>498</u>	<u>230</u>

## 16. Called up share capital

<i>Authorised</i>	£0.01 Ordinary No
At 1 January 2012	6,221,767
At 31 December 2012	<u>6,221,767</u>
	£0.01 Ordinary £
At 1 January 2012	62,218
At 31 December 2012	<u>62,218</u>

## Notes to the financial statements

at 31 December 2012

### 16. Called up share capital (continued)

*Issued*

	£0 01 Ordinary No
At 1 January 2012	6,221,767
At 31 December 2012	6,221,767
	£0 01 Ordinary £
At 1 January 2012	62,218
At 31 December 2012	62,218

### 17. Reserves

	Share Premium account £000	Profit and loss account £000
At 1 January 2012	3,703	(13,732)
Loss for the financial year	-	(3,657)
At 31 December 2012	3,703	(17,389)

### 18. Ultimate Parent and controlling Party

The immediate parent undertaking is Zipcar Inc

The ultimate parent undertaking and controlling party is Zipcar Inc, a company incorporated in the United States of America

Zipcar Inc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Zipcar Inc available from 25 First Street, 4<sup>th</sup> Floor, Cambridge, Massachusetts