ZODIAC RENT A CAR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

REGISTERED NUMBER: 4666791

REGISTERED OFFICE:

Avis Budget House
Park Road
Bracknell
RG12 2EW

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ZODIAC RENT A CAR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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ZODIAC RENT A CAR LIMITED
STRATEGIC REPORT

The Directors present their Strategic Report for the Company for the year ended 31 December 2017.

Strategic Review and Future Developments

Prior to the termination of the licence for Zodiac Rent a Car Ltd to operate the Budget brand in the UK, the principal activity of the Company was the managing and monitoring of licensee generated income under the Budget Rent a Car brand name in the United Kingdom. The Company is no longer active. It is expected that the Company will be liquidated within the foreseeable future.

The Company has made a loss after taxation in the year of £231,000 (2016: profit of £37,000). The position of the Company at the year end is set out in the balance sheet and related notes on pages 10 to 15.

Key Performance Indicators (KPIs)
Given the nature of the business the Directors are of the opinion that analysis using key performance indicators is not required in order to understand the development, performance or position of the business.

Risks and Uncertainties

Risk mitigation is a key part of the management of the Company and we have a consistent process to identify, manage and help mitigate exposure to issues that may have a negative impact on the business. The relative importance of identified risks is reviewed regularly and in respect of all such risks, we continue to monitor and respond to the changing environment. Summarised below are some of the key risks that may affect the Company's business.

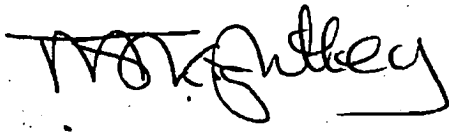
Financial Risk Management Objectives & Policies

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 Budget EMEA Limited 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 Budget Group, Inc group of companies, which are disclosed in the consolidated financial statements of Avis Budget Group, Inc.

Credit Risk

The Company manages credit risk by performing credit checks and audits where considered appropriate on licensee partners.

On behalf of the Board



M J Kightley
Director
28 September 2018

ZODIAC RENT A CAR LIMITED
DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 December 2017.

Results and Dividends

The Company made a loss after taxation in the year of £231,000 (2016: profit of £37,000). This change is the result of the termination of the licence to operate the Budget brand in the UK. No interim dividend has been paid during the year (2016: £nil). The Directors do not recommend the payment of a final dividend (2016: £nil).

Future Developments
The Directors expect that he Company will become dormant and that it will be put into liquidation within the foreseeable future.

Going Concern

The Company ceased to be a going concern following the termination of its licence to operate the Budget brand in the UK. While it is no longer appropriate to prepare the Company's Financial Statements on a going concern basis, the Directors do not consider that this change of status necessitated any material adjustments to the Financial Statements.

Directors

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

M J Kightley
P L Ford

The company secretary is T Mannion (appointed 20 July 2018)

Directors' Responsibilities Statement

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102) and the Companies Act 2006. 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; 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 or 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 Auditor

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 auditor is 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 auditor is 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.

Auditor

Deloitte LLP will continue in office as permitted by Section 487 of the Companies Act 2006.

By Order of the Board

T Mannion
Company Secretary
28 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZODIAC RENT A CAR LIMITED

Report on the audit of the Financial Statements

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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Zodiac Rent a Car Ltd (the 'Company') which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16

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 the 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 Financial Statements section of our report.

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 FRCs Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis
We draw attention to Note 3(f) in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. 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 and form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. 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 respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZODIAC RENT A CAR LIMITED (continued)

Respective responsibilities of director and auditor

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 operation, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of Financial Statements
Our objective are to obtain a reasonably 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.

A further description of our responsibilities for the audit of the financial statements is location on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with the 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 Strategic Report or Directors' Report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate f or 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.

We have nothing to report in respect of these matters.

Andrew Hornby

Andrew Hornby, ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading.
United Kingdom
28 September 2018

ZODIAC RENT A CAR LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £000	2017 £000
Revenue	5	-	133
Cost of sales		-	-
Gross profit		-	133
Administrative expenses		(10)	(15)
Operating (loss) / profit	6	(10)	118
Finance income	7	-	-
(Loss) / Profit before taxation		(10)	118
Taxation	9	(221)	(81)
(Loss) / Profit for the financial year being total comprehensive income		(231)	37

All results arise from operations that have been discontinued.

The accompanying Notes on pages 10 to 15 form an integral part of these Financial Statements.

ZODIAC RENT A CAR LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
Other financial assets:			
- trade and other receivables	10		239
- amounts owed by subsidiary undertakings	12	8,006	186,278
Cash at bank and in hand		-	4
CURRENT ASSETS BEING TOTAL ASSETS		8,006	186,521
Other financial liabilities:			
- trade and other payables	11	(10)	(243)
- amounts owed to subsidiary undertakings	12		(178,051)
CURRENT LIABILITIES BEING TOTAL LIABILITIES		(10)	(178,924)
NET ASSETS		7,996	8,227
EQUITY			
Called-up share capital	14	9,322	9,322
Retained deficit		(1,326)	(1,095)
Shareholders' equity		7,996	8,227

The Financial Statements on pages 7 to 15 were approved by the Board on 28 September 2018 and were signed on its behalf by:

M J Kightley
Director
Zodiac Rent a Car Limited
Registered no: 4666791

ZODIAC RENT A CAR LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called-up share capital £000	Retained deficit £000	Total £000
At 1 January 2016	9,322	(1,132)	8,190
Profit for the year	-	37	37
At 31 December 2016	9,322	(1,095)	8,227
At 1 January 2017	9,322	(1,095)	8,227
Loss for the year	-	(231)	(231)
At 31 December 2017	9,322	(1,326)	7,996

The accompanying Notes on pages 10 to 15 form an integral part of these Financial Statements.

ZODIAC RENT A CAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 GENERAL INFORMATION

The Company formerly managed licensee generated income under the Budget Rent a Car brand name in the United Kingdom. The Company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Avis Budget House, Park Road, Bracknell, RG12 2EW.

2 STATEMENT OF COMPLIANCE

The Financial Statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

3 ACCOUNTING POLICIES

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

(a) **Basis of Accounting**

The Financial Statements have been prepared 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 Budget Group, Inc., which are publicly available, and therefore has elected to utilise the exemption provided in section 1.12 of FRS 102, and not produce a cash flow statement.

(c) **Revenue**

Revenue comprised fees receivable from licensees. Revenue is zero this year as a result of the termination of the licence for Zodiac Rent a Car Ltd to operate the Budget brand in the UK.

(d) **Foreign Currency**

Monetary 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. Gains and losses on exchange are dealt with in the Statement of comprehensive income.

(e) **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.

3 ACCOUNTING POLICIES (CONTINUED)

(f) Going Concern

In previous periods the Company's Financial Statements were prepared on a going concern basis and in accordance with the historical cost convention.

Subsequent to the reporting period, the licence to operate the Budget brand in the UK was terminated. Whilst the Company therefore ceased to be a going concern, the Directors do not consider that this change of status necessitated any material adjustments to the Financial Statements.

(g) 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.

Trade and other receivables
Trade and other receivables 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 balance sheet.

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.

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

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

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

The Company does not have any critical judgements in the process of applying the Company's accounting policies.

5 REVENUE

Revenue in the year of £nil (2016: £133,000) related to royalties generated from licensees operating under the Budget Rent A Car brand name in the United Kingdom. The licene to operate the Budget brand in the UK has now been terminated.

6 OPERATING PROFIT

The operating profit is stated after charging:

	2017 £000	2016 £000
Fees payable to the Company's auditor for the audit of the Company's annual Financial Statements	10	10

7 NET FINANCE INCOME

	2017 £000	2016 £000
On loans due to group undertakings	8,189	5,715
On loans due from group undertakings	(8,189)	(5,715)
	-	-

8 STAFF COSTS

Directors' emoluments

The Directors received no remuneration in respect of their services to the Company during the year (2016: £nil).

The average number of Directors during the year was 2 (2016: 3). There were no other employees during the year (2016: nil).

9 TAXATION

	2017 £000	2016 £000
(i) Analysis of charge in the year		
Current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	203	68
Effect of change in tax rate on liability	-	13
Adjustments in respect of previous years	19	-
Total tax on profit on ordinary activities	222	81

(ii) Factors affecting the tax charge for the year

The standard rate of tax applied to reported profit on ordinary activities is 19.25% (2016: 20%).

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:

9 TAXATION (CONTINUED)

	2017 £000	2016 £000
Profit on ordinary activities before taxation	(10)	118
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20%)	(2)	24
Group relief surrendered for no charge	42	52
Difference in tax rate	(4)	(8)
Revaluation of deferred tax	-	13
Adjustments in respect of prior years	19	-
Derecognise deferred tax asset	167	-
Total tax charge for the year	222	81

The Finance Bill (No 2) 2015 included legislation to reduce the main rate of corporation tax in the UK from 20% to 19% with effect from 1 April 2017 and from 19% to 18% with effect from 1 April 2020. These rates were substantively enacted on 26 October 2015. The 2016 Budget subsequently announced that the main rate of corporation tax would reduce to 17% with effect from 1 April 2020. This rate was substantively enacted on 6 September 2016.

	2017 £000	2016 £000
(iii) Deferred tax		
Provided:		
Accelerated capital allowances	-	222
Deferred tax asset (see Note 10)	-	222
Opening balance	222	302
Movement to statement of comprehensive income	(222)	(81)
Closing balance	-	222

The Company has unrecognised deferred tax of £167,000 (2016: £nil)

10 TRADE AND OTHER RECEIVABLES

	2017 £000	2016 £000
Trade receivables	-	17
Deferred tax asset (see Note 9)	-	222
	-	239

Trade receivables are adequately provided for.

11 TRADE AND OTHER PAYABLES

	2017 £000	2016 £000
Trade payables	-	218
Other tax and social security	-	15
Accruals and deferred income	10	10
	10	243

12 INTERCOMPANY ITEMS

	2017 £000	2016 £000
Amounts owed by group undertakings	8,006	186,278
Amounts owed to group undertakings		(178,051)
Net amounts owed by group undertakings	8,006	8,227

Within amounts owed by group undertakings, £nil (2016: £178,051,000) is an unsecured intercompany loan. Intercompany loans are fixed rate with a weighted average cost for amounts owed by fellow subsidiaries at 31st December 2017 of 4.25% (2016: 5.2%). There were no floating rate intercompany loans. The remaining balance of £8,006,000 (2016: £8,227,000) with other group undertakings is unsecured, interest free and payable on demand.

The maximum credit risk exposure is the carrying amount of the amounts owed by fellow subsidiaries. No allowance for bad debts has been made as all amounts owed by fellow subsidiaries are expected to be fully recoverable.

13 FINANCIAL INSTRUMENTS

Fair value of financial assets and financial liabilities:

	2017		2016	
	Book amount £000	Fair value £000	Book amount £000	Fair value £000
Trade receivables	-	-	17	17
Other financial assets:				
- amounts owed by fellow subsidiaries	8,006	8,006	186,278	186,278
Cash at bank and on hand	-	-	4	4
Trade payables	-	-	218	218
Other payables	10	10	24	24
Other financial liabilities:				
- amounts owed to fellow subsidiaries	-	-	178,051	178,051

The Directors consider that the book value of other receivables, trade receivables, cash at bank and on hand, trade payables, other payables and inter-company loans, are approximate to their fair value.

14 SHARE CAPITAL

	2017 £000	2016 £000
Allotted, Issued and Fully Paid Share Capital:		
9,322,408 Ordinary Shares of £1 each	9,322	9,322

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a subsidiary undertaking of Zodiac Europe Investments Limited which is part of the group of companies owned by Avis Budget EMEA Limited. Both these parent undertakings are registered in England and Wales.

The Company's ultimate holding company and the smallest and largest parent undertaking to consolidate the Financial Statements of the company is Avis Budget Group, Inc. 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 www.avisbudgetgroup.com., 6 Sylvan Way, Parsippany, NJ, 07054

16 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption within Paragraph 1.12 of FRS 102 for wholly owned subsidiary undertakings not to disclose transactions with other entities within the same group. The consolidated financial statements for Avis Budget Group, Inc., in which the Company is included, are publicly available at www.avisbudgetgroup.com.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZODIAC EUROPE LIMITED

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements: and
- the Strategic Report and the Directors' Report have 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 Strategic Report or the Directors' Report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Andrew Hornby

Andrew Hornby, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Reading
United Kingdom
27 September 2018