

**Avis Rent A Car Limited**  
Financial Statements  
for the year ended 31 December 2021

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**Financial Statements**  
for the financial year ended 31 December 2021

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# Avis Rent A Car Limited

## Corporate information

### for the financial year ended 31 December 2021

**Directors**

The Directors of the Company during the financial year were:

B. Galloon

P. Ford

T. Mooney

**Ultimate holding company**

Avis Budget Group Inc.

**Registered office**

Level 3, Building C

600, Great South Road, Ellerslie

Auckland

**Principal place of business**

Level 3, Building C

600, Great South Road, Ellerslie

Auckland

**Auditors**

Deloitte Limited

**Registration number**

AK166704

# **Avis Rent A Car Limited**

## **Directors' approval**

### **for the financial year ended 31 December 2021**

The Directors present their annual report of Avis Rent A Car Limited, incorporating the financial statements and the Auditor's report, for the year ended 31 December 2021.

With the agreement of the sole shareholder, the Company has taken advantage of the reporting concessions available under section 211 (3) of the Companies Act 1993.

The Board of Directors of the Company authorised these financial statements present on pages 6 to 27 for issue on

  
Barbara Galloon (Dec 14, 2022 08:12 GMT+11)

B. Galloon  
Director  
Sydney

  
Thomas Mooney (Dec 12, 2022 18:11 GMT+11)

T. Mooney  
Director  
Sydney

## Independent Auditor's Report

### To the Shareholders of Avis Rent A Car Limited

#### Opinion

We have audited the financial statements of Avis Rent A Car Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 6 to 27, present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS RDR').

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). 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.

We are independent of the Company in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for the Company in the area of taxation advice and certain agreed upon-procedures with the purpose of assisting Avis Rent A Car Limited to comply with the requirements of its license agreement. These services have not impaired our independence as auditor of the Company. In addition to this, partners and employees of our firm deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company. The firm has no other relationship with, or interest in, the Company.

#### Directors' responsibilities for the financial statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with NZ IFRS RDR, 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 on behalf of the Company 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.

#### 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 and ISAs (NZ) 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 located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8>

This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Company's shareholders, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Company's shareholders 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's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*  
**Auckland, New Zealand**  
14 December 2022

**Avis Rent A Car Limited**  
**Statement of profit or loss**  
**for the financial year ended 31 December 2021**

		<u>2021</u>	<u>2020</u>
		<u>\$000</u>	<u>\$000</u>
	<b>Notes</b>		
Revenue	2	85,570	162,049
Interest revenue calculated under the effective interest rate method		997	412
Other revenue		11,985	-
<b>Revenue</b>	<b>2</b>	<b><u>98,552</u></b>	<b><u>162,461</u></b>
Direct vehicle expenses		(60,713)	(132,693)
Rental expenses		(12,521)	(20,558)
Marketing expenses		(4,849)	(5,264)
General and administrative expenses		(6,085)	(4,157)
Finance expenses		(2,104)	(6,150)
<b>Total expenses</b>	<b>2</b>	<b><u>(86,272)</u></b>	<b><u>(168,822)</u></b>
<b>Profit/(loss) before income tax expense</b>		<b>12,280</b>	<b>(6,361)</b>
Income tax (expense)/benefit	3	(3,347)	2,225
<b>Profit/(loss) for the year from continuing operations</b>		<b><u>8,933</u></b>	<b><u>(4,136)</u></b>
<b>Total comprehensive income/(loss) of the year</b>		<b><u>8,933</u></b>	<b><u>(4,136)</u></b>
<b>Income/(loss) attributable to the owners of the Company</b>		<b><u>8,933</u></b>	<b><u>(4,136)</u></b>

The above statement of profit or loss should be read in conjunction with the accompanying notes.

# Avis Rent A Car Limited

## Statement of financial position

### as at 31 December 2021

	Notes	2021 \$000	2020 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	43,421	53,608
Trade and other receivables	5	24,435	12,814
Inventories	6	814	456
Property, plant and equipment	8	104,125	78,361
Other current assets	7	754	660
<b>Total current assets</b>		<b>173,549</b>	<b>145,899</b>
<b>Non-current assets</b>			
Right-of-use assets	9	37,965	22,682
Property, plant and equipment	10	1,490	1,788
Intangible assets	11	543	756
Other non-current assets	12	611	33,786
<b>Total non-current assets</b>		<b>40,609</b>	<b>59,012</b>
<b>Total assets</b>		<b>214,158</b>	<b>204,911</b>
<b>Current liabilities</b>			
Trade and other payables	13	30,335	35,227
Lease liabilities	9	8,511	8,287
Deferred revenue	14	352	307
Provisions	15	4,552	2,760
Other current liabilities	16	46	-
<b>Total current liabilities</b>		<b>43,796</b>	<b>46,581</b>
<b>Non-current liabilities</b>			
Provisions	17	351	304
Lease liabilities	9	29,810	16,147
Interest-bearing liabilities	18	74,498	84,125
Deferred tax liabilities	3	6,735	7,719
<b>Total non-current liabilities</b>		<b>111,394</b>	<b>108,295</b>
<b>Total liabilities</b>		<b>155,190</b>	<b>154,876</b>
<b>Net assets</b>		<b>58,968</b>	<b>50,035</b>
<b>Equity</b>			
Issued capital	19	7,288	7,288
Retained earnings		51,680	42,747
<b>Total equity attributable to the owners of the Company</b>		<b>58,968</b>	<b>50,035</b>

  
 Barbara Galloon (Dec 14, 2022 08:12 GMT+11)

B. Galloon  
 Director  
 Sydney

  
 Thomas Mooney (Dec 12, 2022 18:11 GMT+11)

T. Mooney  
 Director  
 Sydney

Notes to the financial statements are included on pages 10 to 27

**Avis Rent A Car Limited**  
**Statement of changes in equity**  
**for the financial year ended 31 December 2021**

	Fully paid ordinary shares	Fully paid preference shares	Retained earnings	Total
	\$000	\$000	\$000	\$000
<b>Balance as at 1 January 2020</b>	4,000	3,288	46,883	54,171
Loss for the period	-	-	(4,136)	(4,136)
<b>Total comprehensive loss for the year</b>	-	-	(4,136)	(4,136)
<b>Balance as at 31 December 2020</b>	<u>4,000</u>	<u>3,288</u>	<u>42,747</u>	<u>50,035</u>
<b>Balance as at 1 January 2021</b>	4,000	3,288	42,747	50,035
Profit for the period	-	-	8,933	8,933
<b>Total comprehensive income for the year</b>	-	-	8,933	8,933
<b>Balance as at 31 December 2021</b>	<u>4,000</u>	<u>3,288</u>	<u>51,680</u>	<u>58,968</u>

Notes to the financial statements are included on pages 10 to 27

**Avis Rent A Car Limited**  
**Statement of cash flows**  
**for the year ended 31 December 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	94,704	189,732
Payments to suppliers and employees	(133,674)	(108,373)
Interest paid	(2,562)	(7,524)
Income tax benefit received/(expense paid)	(1,859)	1,533
Net advances to related parties	(4,392)	(6,339)
<b>Net cash (used in)/provided by operating activities</b>	<b>(47,783)</b>	<b>69,029</b>
<b>Cash flows from investing activities</b>		
Interest received	997	412
Payment for purchase of property, plant and equipment	(228)	(331)
Payment for intangibles	-	(223)
Advances repaid by related parties	33,175	21,869
Advances to related parties	-	(37,276)
<b>Net cash provided/(used in) by investing activities</b>	<b>33,944</b>	<b>(15,549)</b>
<b>Cash flows from financing activities</b>		
Proceeds from external borrowings	30,000	122,500
Repayment of external borrowings	(25,000)	(172,500)
Proceeds from related party borrowings	19,514	46,080
Repayment of related party borrowings	(34,141)	(84,951)
Payment of lease liabilities	13,887	(545)
Payment of lease liabilities interest	(1,018)	(1,242)
Decrease in restricted cash	410	750
<b>Net cash provided/(used in) by financing activities</b>	<b>3,652</b>	<b>(89,908)</b>
<b>Net decrease in cash held</b>	<b>(10,187)</b>	<b>(36,428)</b>
Cash at the beginning of the financial year	53,608	90,036
<b>Cash at the end of the financial year</b>	<b>43,421</b>	<b>53,608</b>

Notes to the financial statements are included on pages 10 to 27

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 1 Summary of accounting policies

##### Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), New Zealand equivalents to International Financial Reporting Standards, NZ IFRS Reduced Disclosure Requirements (NZ IFRS RDR) and other applicable Financial Reporting Standards as appropriate to profit-oriented entities that qualify for and Tier 2 RDR Standards.

The Company is a qualifying entity reporting under the accounting framework for Tier 2 for-profit entities issued by the External Reporting Board. The Company qualifies on the basis that it is not publicly accountable and is not a large for-profit public sector entity. In applying NZ IFRS RDR, the Company has applied a number of disclosure concessions.

Avis Rent A Car Limited is a profit-orientated company limited by shares, incorporated and domiciled in New Zealand. The Company is registered under the Companies Act 1993.

##### Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for inventory which is at the lower of cost or net realisable value.

The financial statements have been prepared on a going concern basis. The Directors, having taken into consideration the impact of COVID-19, continue to believe the going concern basis remains appropriate as the Company will be able to realise its assets and discharge its liabilities in the normal course of business. The Company's updated forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company will be able to operate within the level of its facilities for the foreseeable future. The Company considers that going concern assumption is appropriate.

The functional and presentation currency is New Zealand dollars. The financial statements are presented in New Zealand dollars. The numbers have been rounded-off to the nearest thousand dollars unless otherwise indicated.

##### Significant accounting pronouncements effective in the current year

There are no new accounting pronouncements effective in the year ended 31 December 2021.

##### Critical accounting judgements and key sources of estimation uncertainty

In the application of NZ IFRS RDR management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, which are dealt with below, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

##### Leases

The adoption of NZ IFRS 16, refer to Note 9 Leases, has required the following judgements and estimates:

- Judgement as whether an agreement meets the definition of a lease.
- The discount rate used in the valuation of right of use asset and liabilities has been estimated as the Company's incremental borrowing rate.
- Some leases contain minimum airport guarantees (MAGs) which impact the valuation of the right of use (ROU) assets and liabilities. The MAGs are estimated based on the prior year revenue and by application of a concession rate.
- Judgement in the identification of leases that may be onerous and require provision.
- Judgement as to the expected occupancy period of a lease which has options to extend or is rolling month to month.

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 1 Summary of accounting policies (continued)

##### ***Allowance for doubtful debts***

The Company maintains a provision for estimated losses expected to arise from customers being unable to make required payments. This provision takes into account known commercial factors impacting specific customer accounts, as well as the overall profile of the receivables portfolio. In assessing the provision, factors such as past collection history, the age of receivable balances, the level of activity in customer accounts, as well as general macro-economic trends, are taken into account. Significant changes in these factors would likely necessitate changes in the doubtful debts provision. Refer Note 5 Trade receivables and contract assets.

##### **Significant accounting policies**

###### **a) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

###### **(b) Revenue recognition**

The Company derives revenues primarily by providing vehicle rentals and other related products and mobility services to commercial and leisure customers, as well as through licensing of its rental systems. Other related products and mobility services include sales of collision and loss damage waivers under which a customer is relieved from financial responsibility arising from vehicle damage incurred during the rental; products and services for driving convenience such as fuel service options, roadside safety net, electronic toll collection, portable navigation units and child safety seat rentals; and rentals of other supplemental items including automobile towing equipment and other moving accessories and supplies. The Company also receives payment from customers for certain operating expenses that it incurs, including airport concession fees that are paid by the Company in exchange for the right to operate at airports and other locations, as well as vehicle licensing fees.

Revenue is recognised when obligations under the terms of a contract with the customer are satisfied; generally this occurs evenly over the contract (over time); when control of the promised products or services is transferred to the customer. Revenue is measured as the amount of consideration the Company expects to be entitled to receive in exchange for transferring products or services. Certain customers may receive cash-based rebates, which are accounted for as variable consideration. The Company estimates these rebates based on the expected amount to be provided to customers and reduces revenue recognised.

Vehicle rental and rental-related revenues are recognised evenly over the period of rental. Licensing revenues principally consist of royalties paid by the Company's licensees and are recorded as the licensees' revenues are earned (over the rental period). The Company renews license agreements in the normal course of business and occasionally terminates, purchases or sells license agreements. In connection with ongoing fees that the Company receives from its licensees pursuant to license agreements, the Company is required to provide certain services, such as training, marketing and the operation of reservation systems. Revenues and expenses associated with gasoline, airport concessions and vehicle licensing are recorded on a gross basis within revenues and operating expenses.

###### **c) Leases**

###### ***As a Lessee***

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right of use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases relating to lease of land and building (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as low value equipment). Vehicle leases are recognised regardless of the duration. For these leases, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Company's incremental borrowing rate.

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 1 Summary of accounting policies (continued)

##### Significant accounting policies (continued)

Lease payments included in the measurement of the lease liability comprise.

- Fixed lease payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the statement of financial position.

The Company applies NZ IAS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

In the current year, the Company has taken the practical expedient under NZ IFRS 16 para. 15 by electing, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

##### **As a lessor**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term

##### **d) Foreign currency**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at end of each reporting period are translated at the exchange rate existing at that date. All exchange differences are brought to account in the statement of comprehensive income in the period in which they arise.

##### **(e) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 1 Summary of accounting policies (continued)

##### Significant accounting policies (continued)

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### f) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets being the higher of the asset's carrying value over its recoverable amount, have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any excess of the assets carrying value over its recoverable amount is recognised immediately in profit and loss. Impairment testing is performed annually and whenever there is an indication that the asset may be impaired for goodwill and intangible assets with indefinite lives.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

##### g) Income tax

###### **Current tax**

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of each reporting period. Current tax for current and prior periods is recognised as a liability to the head entity in the tax consolidated group to the extent that it is unpaid.

###### **Deferred tax**

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 1 Summary of accounting policies (continued)

##### Significant accounting policies (continued)

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### **Current and deferred tax for the period**

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

##### **(h) Receivables**

Trade receivables and other receivables are recorded at amortised cost less impairment. Where a debt is considered to be irrecoverable, it is written off in the financial statements. Where payment of a debt is in doubt, an appropriate amount is charged against profits for the period and included in the financial statements as a provision for doubtful debts.

##### **i) Property, plant and equipment**

Motor vehicles and other property, plant and equipment are recorded at original cost less accumulated depreciation and impairment losses.

The Company's motor vehicle fleet is subject to continuous review and upgrading. Sales proceeds and related cost of sale of vehicles are treated as part of ordinary trading activities for the purpose of reporting profits. Motor vehicles are considered current assets due to the Company's fleet upgrade program.

Depreciation is provided on property, plant and equipment and leasehold improvements. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The following estimated useful lives are used in the calculation of depreciation:

- |                          |               |
|--------------------------|---------------|
| • Motor vehicle fleet    | 2 - 5 years   |
| • Plant and equipment    | 3 - 10 years  |
| • Leasehold improvements | Term of lease |

##### **j) Intangible assets**

Intangible assets includes goodwill arising on the acquisition of businesses, carried at cost as established at the date of acquisition less any impairment losses, if any. Goodwill is assessed for impairment on an annual basis. Other intangible assets, computer software, are measured at cost less accumulated amortisation.

The estimated useful life of computer software is 3 to 5 years. (2020: 3 to 5 years).

##### **(k) Payables**

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services and measured at amortised cost.

##### **l) Borrowings**

Loans and bank overdrafts are initially measured at fair value, net of transaction costs and subsequently recorded at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 1 Summary of accounting policies (continued)

##### Significant accounting policies (continued)

##### m) Financial instruments - initial recognition and subsequent measurement

###### *Financial assets and liabilities*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are measured at fair value on initial recognition and are subsequently measured at amortised cost, with the exception of derivatives which are measured at FVPL. Non derivative financial assets applicable to the Company are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

###### *Financial assets*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment. All loans and receivables are held for the sole purpose of receiving principle and interest which is aligned with the principal business activity. See Note 5 -Trade and other receivables for more details.

Interest income is recognised by applying the effective interest rate, except for short term receivables when the effect of discounting is immaterial.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

###### *Financial liabilities*

Financial liabilities, including borrowings and trade and other payables, are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

###### *Debt and equity instruments*

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

###### *Interest and dividends*

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

###### *Derivative financial instruments*

The Company is party to derivative financial instruments for the purpose of hedging the fair value of its foreign currency denominated receivables and payables. The Company has elected not to apply hedge accounting and therefore recognise gains and losses on the fair value of derivative financial instruments through the profit and loss.

##### n) Provisions

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

##### o) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, and other employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rates expected to apply at the time of settlement.

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 2 Profit/(loss) from ordinary activities

	2021 \$000	2020 \$000
The profit/(loss) from ordinary activities before income tax includes the following items of revenue and expense:		
<b>Revenue:</b>		
Revenue from leasing activities	29,389	40,393
Revenue from non-leasing activities	4,464	5,923
Revenue from related party shared fleet	12,274	9,994
Revenue from franchising	148	183
Revenue from motor vehicle sales	37,526	102,088
Other revenue	1,769	3,468
Global profit share revenue	11,985	-
<b>Interest revenue calculated under the effective interest rate method</b>		
Interest from related entities	940	65
Interest from other entities	57	347
<b>Total revenue</b>	<b>98,552</b>	<b>162,461</b>
<b>Expenses:</b>		
<b>(Loss)/profit includes the following specific expenses:</b>		
Depreciation of current and non-current assets	14,879	23,598
Amortisation of intangible assets	213	351
Amortisation of right of use lease assets	10,159	9,826
Bad debts and other impairment losses (recovered)/expensed	(80)	(363)
Global profit share	656	848
Net book value of motor vehicles sold	34,534	106,695
COVID-19 landlord rent relief	(557)	(644)
<b>Finance costs:</b>		
Interest to related parties	1,829	4,341
Interest on lease liabilities	1,018	1,242
Derivative loss	112	383
Other	(855)	184
<b>Total finance costs</b>	<b>2,104</b>	<b>6,150</b>
<b>3 Income tax</b>		
	2021	2020
	\$000	\$000
<b>Current income tax:</b>		
In respect of the current year	4,783	1,553
In respect of prior years	(452)	(118)
	<b>4,331</b>	<b>1,435</b>
<b>Deferred tax:</b>		
In respect of the current year	(1,337)	(3,333)
In respect of prior years	353	(327)
	<b>(984)</b>	<b>(3,660)</b>
<b>Total income tax benefit/(expense) recognised in the current year</b>	<b>3,347</b>	<b>(2,225)</b>

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 3 Income tax (continued)

The income tax expense/(benefit) for the year can be reconciled to the accounting profit as follows:

	2021 \$000	2020 \$000
<b>Profit/(loss) before tax</b>	<b>12,280</b>	<b>(6,361)</b>
Income tax expense/(benefit) calculated at 28% (2020: 28%)	3,438	(1,781)
Effect of expenses that are exempt from taxation	8	1
Adjustments recognised in the current year in relation to the current tax of prior years	(99)	(445)
Non-deductible expenses for tax purposes:		
<b>Income tax expense/(benefit) recognised in profit or loss</b>	<b>3,347</b>	<b>(2,225)</b>

#### Deferred Taxation

	Property, equipment and intangibles \$000	Right of use assets \$000	Lease liability \$000	Trade and other receivables \$000	Trade and other payables \$000	Employee entitlements \$000	Total \$000
Assets/(liabilities) as at 1 January	(13,296)	2,842	(2,572)	382	528	737	(11,379)
Credit/(charge) to profit and loss	3,267	337	(151)	101	(117)	(104)	3,333
Prior period adjustments	190	(9,571)	9,564	(86)	273	(43)	327
<b>Assets/(liabilities) as at 31 December 2020</b>	<b>(9,839)</b>	<b>(6,392)</b>	<b>6,841</b>	<b>397</b>	<b>684</b>	<b>590</b>	<b>(7,719)</b>
Assets/(liabilities) as at 1 January	(9,839)	(6,392)	6,841	397	684	590	(7,719)
Credit/(charge) to profit and loss	1,312	(4,279)	3,888	(140)	200	356	1,337
Prior period adjustments	(190)	41	-	(1)	(239)	36	(353)
<b>Assets/(liabilities) as at 31 December 2021</b>	<b>(8,717)</b>	<b>(10,630)</b>	<b>10,729</b>	<b>256</b>	<b>645</b>	<b>982</b>	<b>(6,735)</b>

#### 4 Cash and cash equivalents

	2021 \$000	2020 \$000
Cash and bank and in hand	43,421	53,608

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 5 Trade receivables and contract assets

##### *Trade receivables*

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Trade receivables	8,017	4,854
Allowance for doubtful debts	(306)	(363)
	<b>7,711</b>	<b>4,491</b>
Accrued rental revenue	514	480
Other receivables	750	194
Prepayments	1,007	733
Non trade receivables from related parties (Note 20)	14,453	6,916
	<b>24,435</b>	<b>12,814</b>

No interest is charged on trade receivables. Trade receivables are held for the sole purpose of collecting payment and interest and is measured at amortised cost in accordance with NZ IFRS 9.

The Company considers factors such as the ageing of receivables, historical information, and external factors in determining the expected credit loss (ECL) of trade receivables.

The Company has recognised an allowance for doubtful debts for corporate customers over 80 days and 100% against corporate customer debts greater than 365 days.

Historical experience has been that for corporate customers, that are past due beyond 365 days are unlikely recoverable. Allowances for a doubtful debts are recognised against corporate customers between 0 days and 364 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. An allowance for doubtful debts of 100% has been recognised for all consumer and leisure customer debt.

Common controlled entities include Avis Budget Car Rental LLC, and other Avis Budget Rent a Car subsidiaries in New Zealand and Australia. Advances are repayable on demand. Interest is charged at market rates and is payable on a monthly basis.

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Provision for doubtful debts</b>		
Balance at the beginning of the year	(363)	(284)
Impairment losses recognised during the year	80	12
Bad debt (recovery)	(23)	(91)
<b>Balance at the end of the year</b>	<b>(306)</b>	<b>(363)</b>

#### 6 Current inventories

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Fuel at cost	814	456
	<b>814</b>	<b>456</b>

**Avis Rent A Car Limited**  
**Notes to the financial statements**  
for the financial year ended 31 December 2021

**7 Other current assets**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Restricted cash deposit	250	250
Derivative asset	504	410
	<b>754</b>	<b>660</b>

**8 Current plant and equipment - hire fleet**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cost</b>		
Opening cost	97,628	194,528
Additions	74,651	36,337
Disposals	(47,855)	(133,237)
	<b>124,424</b>	<b>97,628</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	19,267	22,921
Depreciation charge	14,352	22,888
Depreciation on disposal	(13,320)	(26,542)
	<b>20,299</b>	<b>19,267</b>
<b>Opening net book value</b>	<b>78,361</b>	<b>171,607</b>
<b>Closing net book value</b>	<b>104,125</b>	<b>78,361</b>

**9 Leases**

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Right of use assets</b>		
<b>Cost</b>		
Opening balance	41,444	33,863
Revaluation to prior year balance	224	6,500
Additions	25,376	1,536
Disposals	(16,099)	(350)
Impairment	-	(105)
<b>Closing balance</b>	<b>50,945</b>	<b>41,444</b>
<b>Accumulated amortisation</b>		
Opening balance	(18,762)	(9,848)
Revaluation to prior year balance	(158)	562
Amortisation	(10,159)	(9,826)
Disposals	16,099	350
<b>Closing balance</b>	<b>(12,980)</b>	<b>(18,762)</b>
<b>Net book value right of use assets</b>	<b>37,965</b>	<b>22,682</b>
<b>Lease liabilities</b>		
Short term lease liabilities	8,511	8,287
Long term lease liabilities	29,810	16,147
	<b>38,321</b>	<b>24,434</b>

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### **9 Leases (continued)**

The Company negotiated rent concessions with its landlords as a result of temporary closures of on-airport and off-airport locations caused by the COVID-19 pandemic. These concessions included reduced rents and payment deferrals. In May 2020 the International Accounting Standards Board issued an amendment to NZ IFRS 16 which allowed the Company not to account for rent concessions as lease modifications if they are a consequence of COVID-19. The Company applied this practical expedient to account for all the landlord rent concessions, which meant the rent reductions were accounted for as negative variable lease payments amounting to \$557,462 reducing the amount of lease repayments (see Note 2)

In the current year, the Company has taken the practical expedient under NZ IFRS 16 para. 15 by electing, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

**Avis Rent A Car Limited**  
**Notes to the financial statements**  
for the financial year ended 31 December 2021

**10 Property, plant and equipment**

	Plant and equipment \$000	Leasehold improvements \$000	Motor vehicles \$000	Capital work in progress \$000	Total \$000
Opening cost 1 January 2020	4,580	2,397	262	380	7,619
Additions	27	44	63	225	359
Disposals	-	-	(98)	-	(98)
<b>Closing cost 31 December 2020</b>	<b>4,607</b>	<b>2,441</b>	<b>227</b>	<b>605</b>	<b>7,880</b>
Opening cost 1 January 2021	4,607	2,441	227	605	7,880
Additions	-	-	-	220	220
Disposals	(240)	(137)	(18)	-	(395)
<b>Closing cost 31 December 2021</b>	<b>4,367</b>	<b>2,304</b>	<b>209</b>	<b>825</b>	<b>7,705</b>
Opening accumulated depreciation 1 January 2020	3,584	1,796	72	-	5,452
Depreciation charge	426	248	36	-	710
Depreciation on disposals	-	-	(70)	-	(70)
<b>Closing accumulated depreciation 31 December 2020</b>	<b>4,010</b>	<b>2,044</b>	<b>38</b>	<b>-</b>	<b>6,092</b>
Opening accumulated depreciation 1 January 2021	4,010	2,044	38	-	6,092
Depreciation charge	271	230	26	-	527
Depreciation on disposals	(240)	(137)	(27)	-	(404)
<b>Closing accumulated depreciation 31 December 2021</b>	<b>4,041</b>	<b>2,137</b>	<b>37</b>	<b>-</b>	<b>6,215</b>
<b>Opening net book value at 1 January 2021</b>	<b>597</b>	<b>397</b>	<b>189</b>	<b>605</b>	<b>1,788</b>
<b>Closing net book value at 31 December 2021</b>	<b>326</b>	<b>167</b>	<b>172</b>	<b>825</b>	<b>1,490</b>

**Avis Rent A Car Limited**  
**Notes to the financial statements**  
**for the financial year ended 31 December 2021**

**11 Intangible assets**

	<b>Goodwill</b>	<b>Software</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Opening cost 1 January 2020	219	1,901	2,120
Additions	-	223	223
<b>Closing cost 31 December 2020</b>	<b>219</b>	<b>2,124</b>	<b>2,343</b>
Opening cost 1 January 2021	219	2,124	2,343
Disposals	-	(15)	(15)
<b>Closing cost 31 December 2021</b>	<b>219</b>	<b>2,109</b>	<b>2,328</b>
Opening amortisation 1 January 2020	-	1,236	1,236
Amortisation charge	-	351	351
<b>Closing amortisation 31 December 2020</b>	<b>-</b>	<b>1,587</b>	<b>1,587</b>
Opening amortisation 1 January 2021	-	1,587	1,587
Amortisation charge	-	213	213
Amortisation on disposals	-	(15)	(15)
<b>Closing amortisation 31 December 2021</b>	<b>-</b>	<b>1,785</b>	<b>1,785</b>
<b>Opening net book value</b>	<b>219</b>	<b>537</b>	<b>756</b>
<b>Closing net book value</b>	<b>219</b>	<b>324</b>	<b>543</b>

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 12 Other non - current assets

	2021 \$000	2020 \$000
Common control entity	611	33,786

Common controlled entities include Apex Car Rentals. Advances are repayable on demand. Interest is charged at market rates and is payable on a monthly basis.

#### 13 Trade and other payables

	2021 \$000	2020 \$000
Trade payables	19,621	15,800
Other payables	4,711	7,055
Income tax payable	5,554	3,083
Other related party payables (refer Note 20)	449	9,289
	<b>30,335</b>	<b>35,227</b>

All loans advanced to and payable to related parties are unsecured and subordinate to other liabilities. Interest is charged monthly on the outstanding intercompany loan balances and other related party loans at market interest rates. No related party debts were written off or forgiven in the year.

#### 14 Deferred revenue

	2021 \$000	2020 \$000
<b>Opening balance</b>	<b>307</b>	<b>784</b>
Revenue deferred	(4,131)	(4,203)
Revenue recognised	4,176	3,726
<b>Closing balance</b>	<b>352</b>	<b>307</b>

The Company records deferred revenues when cash payments are received in advance of satisfying its performance obligations, including amounts that are refundable. Revenue relating to cancellation of prepaid reservations are recognised when it is highly unlikely to be subsequently reversed. All deferred revenue is classified as current. Non-current deferred revenue in 2021 was equal to nil (2020: nil).

**Avis Rent A Car Limited**  
**Notes to the financial statements**  
for the financial year ended 31 December 2021

**15 Current provisions**

	<b>Refurbishment \$000</b>	<b>Damage \$000</b>	<b>Employee entitlements \$000</b>	<b>Other \$000</b>	<b>Total \$000</b>
<b>Balance at 1 January 2020</b>	<b>1,294</b>	<b>1,137</b>	<b>2,747</b>	<b>53</b>	<b>5,231</b>
Provision (released)/made during the year	(772)	3,973	3,338	40	6,579
Provision utilised during the year	(522)	(4,780)	(3,748)	-	(9,050)
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>330</b>	<b>2,337</b>	<b>93</b>	<b>2,760</b>
<b>Balance at 1 January 2021</b>	<b>-</b>	<b>330</b>	<b>2,337</b>	<b>93</b>	<b>2,760</b>
Provision (released)/made during the year	912	1,779	2,076	15	4,782
Provision utilised during the year	(339)	(1,805)	(846)	-	(2,990)
<b>Balance at 31 December 2021</b>	<b>573</b>	<b>304</b>	<b>3,567</b>	<b>108</b>	<b>4,552</b>

**16 Other current liabilities**

	<b>2021 \$000</b>	<b>2020 \$000</b>
Derivative financial instruments	46	-

**17 Non current provisions - employee entitlements**

	<b>2021 \$000</b>	<b>2020 \$000</b>
Opening balance	304	401
Provision made during the year	47	-
Provision utilised during the year	-	(97)
Closing balance	351	304

**18 Non-current interest bearing liabilities**

	<b>2021 \$000</b>	<b>2020 \$000</b>
Borrowings from external party	30,000	25,000
Interest bearing liability from related party	44,498	59,125
	<b>74,498</b>	<b>84,125</b>

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 19 Issued capital and reserves

	2021 \$000	2020 \$000
<b>Contributed equity</b>		
4,000,000 fully paid ordinary shares (2020: 4,000,000)	4,000	4,000
3,288,279 partially paid shares (2020: 3,288,279)	3,288	3,288
	<b>7,288</b>	<b>7,288</b>

The ordinary shares carry one vote per share and carry the right to dividends and upon winding up, a pro rata share of the Company's assets.

The preference shares confer on the holder preferential rights to repayment of capital on winding up of the Company. They do not confer on the holder the right to vote at a meeting of the Company and, except as specified above, shall rank pari-passu and have the same rights as the ordinary shares issued by the Company.

All non-participating redeemable preference shares may be redeemed at any time in whole or in part at the subscribed amount of \$1.00 each at the option of the Company.

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 20 Related party transactions

The Company's immediate parent company is AB Canada Holdings II Partnership, Canada. The ultimate holding company is Avis Budget Group Inc., a company incorporated in the United States. The related party group comprises the ultimate parent company, the immediate parent and the fellow subsidiaries of the ultimate parent entity.

All loans advanced to and payable to related parties are unsecured and subordinate to other liabilities. Interest is charged monthly on the outstanding intercompany loan balances and other related party loans at market interest rates. No related party debts were written off or forgiven in the year.

In 2020 the Avis Budget Group, Inc. group of companies updated its intra-group arrangements in recognition of the operation of the group as an increasingly globally integrated business and to reflect the contribution that members of the wider Avis Budget Group located in different countries provide to the global network. The arrangements have resulted in the Company recognising an expense in the year in the amount of -\$11,329,106 (2020: \$848,352)

The Company maintains a fleet sharing agreement with a fellow subsidiary. The agreement provides for use by the party of the fleet owned by Company. The Company charges the party for actual usage of such fleet. During the year Company charged \$ 12,273,814(2020: \$9,994,371) to the party for usage of the fleet.

The Company pays and receives funds on behalf of other group companies, the expenditure or receipt is directly transferred to the related group company. These transactions are excluded from below.

	2021 \$000	2020 \$000
<b>Common Control Entities</b>		
<b>Other transactions during the year</b>		
Interest received	940	65
Related party shared lease	12,274	9,994
Payment for services	3,002	4,290
Interest paid	1,829	4,341
Global profit share received/(paid)	656	(848)
<b>Outstanding balances</b>		
<b>Trade and other receivables (Note 5)</b>		
Other group entities	14,453	6,916
<b>Interest bearing assets - non current (Note 12)</b>		
Other group entities	611	33,786
<b>Trade and other payables (Note 13)</b>		
Other group entities	449	9,289
<b>Interest bearing liability - non current (Note 18)</b>		
Other group entities	44,498	59,125

# Avis Rent A Car Limited

## Notes to the financial statements

### for the financial year ended 31 December 2021

#### 21 Financial assets and liabilities

	2021 \$000	2020 \$000
<b>The below financial assets are measured at amortised cost:</b>		
Cash and cash equivalents (Note 4)	43,421	53,608
Trade and other receivables (Note 5)	23,428	12,081
Other non-current assets (Note 12)	611	33,786
	<b>67,460</b>	<b>99,475</b>

**The below financial assets are measured at fair value through profit and loss (FVPL).**

Derivative financial instruments (Note 7)	504	410
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	2021 \$000	2020 \$000
<b>The below financial liabilities are measured at amortised cost:</b>		
Trade and other payables (Note 13)	24,781	32,144
Lease liabilities (Note 9)	38,321	24,434
Interest-bearing liabilities (Note 18)	74,498	84,125
	<b>137,600</b>	<b>140,703</b>

**The below financial liabilities are measured at fair value through profit and loss (FVPL).**

Derivative financial instruments (Note 16)	46	-
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#### 22 Capital commitments

The following capital commitments existed at the balance sheet date:

	2021 \$000	2020 \$000
Motor vehicle commitments	12,429	12,662

#### 23 Contingent liabilities

There were no contingent liabilities at 31 December 2021 (2020: nil)

#### 24 Subsequent events

There were no events subsequent to 31 December 2021 which would in the absence of disclosure cause the financial statements to be materially misleading.