

Company Registration No. 01205530 (England and Wales)

**ADDISON LEE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



## **ADDISON LEE LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	L Griffin P Suter P Gallagher
<b>Secretary</b>	L Gage
<b>Company number</b>	01205530
<b>Registered office</b>	The Point, 37 North Wharf Road London W2 1AF
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP

# **ADDISON LEE LIMITED**

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## **ADDISON LEE LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2019**

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The directors present their strategic report for the year ended 31 August 2019.

#### **Review of the business**

The company is principally engaged in ground transportation activities including private mini-cab hire, delivery and courier services.

The key financial and performance indicators during the year are as follows:

	<b>2019</b>	<b>2018</b>	<b>Change</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Turnover	160,566	166,924	(4)%
Gross profit	61,621	62,017	(1)%
Gross profit margin	38%	37%	1%

The directors are satisfied with the results for the year. After significant change and new competition in the London market, the company has achieved a stable turnover and gross profit performance. The financial position of the Group is robust with strong cash flows from operations generated during the year.

#### **Principal risks and uncertainties**

The principal risks facing the company include:

##### **Legislative risks**

The majority of the drivers engaged by the company in the United Kingdom are self-employed. Actions have been brought against the company and other businesses using similar operating models that claim worker status for self-employed drivers. The company has been granted by the Court of Appeal Leave to Appeal in the Employment Appeal Tribunal decision relating to worker status of three self-employed drivers. The company continues to monitor both the judicial and legislative landscape in this area.

## **ADDISON LEE LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Principal risks and uncertainties (continued)**

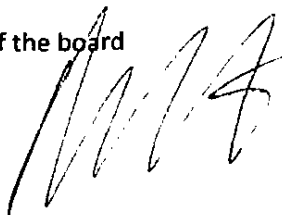
##### *Liquidity risk*

The group manages its cash and borrowing in order to meet its working capital requirements, maximize interest income and minimize interest expense as effectively as possible. The company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities, and by maintaining the company's assets in marketable investments which can be easily converted into cash if required.

##### *Credit risk*

As a standard policy, all customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors and amounts owed by drivers are reviewed on a regular basis and provision is made for doubtful debts as necessary.

On behalf of the board



**P Suter  
Director**

**Date: 7 September 2020**

## **ADDISON LEE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019**

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The directors present their report and unaudited financial statements for the year ended 31 August 2019.

#### **Principal activities**

The principal activity of the company is ground transportation activities operating private mini-cab hire, delivery and courier services.

#### **Directors**

The following directors have held office since 1 September 2018:

L Griffin	appointed on 23 March 2020
P Suter	appointed on 23 March 2020
P Gallagher	appointed on 23 March 2020
A K Boland	resigned on 23 March 2020
S Gordon	resigned on 23 March 2020

#### **Dividends**

Dividend of £nil was paid during the year (2018: £65.6m).

#### **Financial instruments**

The company's financial instruments including amounts due to, and from, other members of the group headed by Addison Lee Financing Limited, a company incorporated in England and Wales. Other financial assets and liabilities, such as trade debtors and trade creditors arise directly from the company's operations.

#### **Research and development**

The company continues to invest in research and development activities in relation to its booking management and communications systems in order to improve and enhance customer experience and service delivery.

#### **Events occurring after the reporting period**

On 23 March 2020, the Addison Lee Financing Limited was acquired by consortium of investors, led by Cheyne Capital and Liam Griffin.

Refer to the Annual Report and Consolidated financial statements of Addison Lee Financing Limited which provides full detail in respect of change of ownership and business restructuring.

## **ADDISON LEE LIMITED**

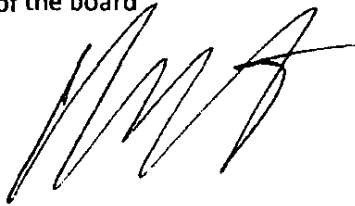
### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore it has been determined that it is appropriate to prepare the financial statements on a going concern basis.

On behalf of the board

A handwritten signature in black ink, appearing to be 'P Suter', written over the text 'On behalf of the board'.

**P Suter  
Director**

**Date: 7 September 2020**

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## **ADDISON LEE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019**

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The directors are responsible for preparing the strategic report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 and 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.



## ADDISON LEE LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
<b>Turnover</b>	2	160,566	166,924
Cost of sales		(98,945)	(104,907)
<b>Gross profit</b>		<u>61,621</u>	<u>62,017</u>
Distribution costs		(15,117)	(16,336)
Administrative expenses		(30,597)	(36,435)
Exceptional items	3	(8,352)	(12,772)
<b>Operating profit/(loss)</b>	4	<u>7,555</u>	<u>(3,526)</u>
Interest receivable and similar income	7	1,062	4,771
Interest payable and similar charges	8	(6,260)	(1,193)
<b>Net profit before tax</b>		<u>2,357</u>	<u>52</u>
Taxation	9	782	1,425
<b>Profit for the financial year</b>		<u><b>3,139</b></u>	<u><b>1,477</b></u>

All activities of the company are continuing.

## **ADDISON LEE LIMITED**

### **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	3,139	1,477
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>3,139</b>	<b>1,477</b>

# ADDISON LEE LIMITED

## BALANCE SHEET AS AT 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Goodwill	10	-	1,047
Other intangible assets	11	26,348	23,326
Tangible assets	12	4,840	5,383
Investments	13	100	100
		<u>31,288</u>	<u>29,856</u>
<b>Current assets</b>			
Debtors	14	49,434	45,843
Cash at bank		3,062	2
		<u>52,496</u>	<u>45,845</u>
<b>Creditors:</b>			
Amounts falling due within one year	15	(29,262)	(47,460)
<b>Net current assets</b>		<u>23,234</u>	<u>(1,615)</u>
<b>Total assets less current liabilities</b>		<b>54,522</b>	<b>28,241</b>
<b>Creditors:</b>			
Amounts falling due after more than one year	16	(34,255)	(11,379)
Provisions	17	(837)	(571)
<b>Net assets</b>		<u><b>19,430</b></u>	<u><b>16,291</b></u>
<b>Capital and reserves</b>			
Called up share capital	19	200	200
Share premium account	20	103	103
Profit and loss reserves		19,127	15,988
<b>Total shareholders' funds</b>		<u><b>19,430</b></u>	<u><b>16,291</b></u>

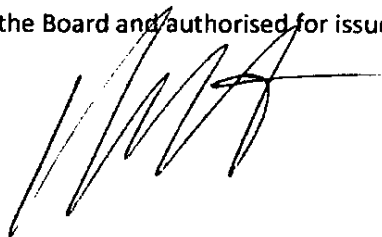
For the year ended 31 August 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Under this section Addison Lee Financing Limited provides a parent guarantee for the company over its outstanding liabilities as at 31 August 2019 until they are satisfied in full.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

Approved by the Board and authorised for issue on 7 September 2020.

**P Suter**  
**Director**



## ADDISON LEE LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2019

	Share capital	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 September 2017</b>	<b>200</b>	<b>103</b>	<b>80,157</b>	<b>80,460</b>
Profit for the financial year	-	-	1,477	1,477
Total comprehensive income for the year	200	103	81,635	81,938
Equity dividends paid	-	-	(65,647)	(65,647)
<b>Balance at 31 August 2018</b>	<b>200</b>	<b>103</b>	<b>15,988</b>	<b>16,291</b>
Profit for the financial year	-	-	3,139	3,139
Total comprehensive income for the year	200	103	19,127	19,430
Equity dividends paid	-	-	-	-
<b>Balance at 31 August 2019</b>	<b>200</b>	<b>103</b>	<b>19,127</b>	<b>19,430</b>

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting policies**

##### **a) Company information**

Addison Lee Limited is incorporated in England and Wales. Its registered office is located at The Point, 37 North Wharf Road, London W2 1AF.

##### **b) Basis for preparation**

The financial statements of Addison Lee Limited were approved for issue by the Board of Directors on 7 September 2020.

The financial statements have been prepared in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The financial statements have been prepared on the historical cost convention and in British Pound Sterling rounded to the nearest thousand pounds (£'000).

Financial Reporting Standard 102 (FRS 102) allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including the categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments, and exposure to and management of financial risks
- the requirement to disclose key management personnel compensation

Equivalent disclosures are included in the consolidated financial statements of Addison Lee Financing Limited, a company incorporated in England and Wales, in which the company's financial statements for the year ended 31 August 2019 are consolidated.

The company has taken advantage of an exemption from disclosing transactions with wholly-owned subsidiaries undertakings of Addison Lee Financing Limited.

##### **c) Consolidated financial statements**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared consolidated financial statements and it is exempt from the requirement to do so under Section 400 of Companies Act 2006.

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## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting policies (continued)**

##### **d) Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore it has been determined that it is appropriate to prepare the financial statements on a going concern basis.

##### **e) Turnover**

Turnover is the total amount receivable by the company for the services provided, excluding value added tax and including trade discounts.

Addison Lee Limited operates two different business arrangements for its "Accounts" and "Non-accounts" business:

##### **Account**

Revenue from "Account" business arises from customers who are registered, and hold an account with either the company or a fellow subsidiaries of Addison Lee Financing Limited. The company establish prices and contracts directly with these customers to provide services including private-hire services and courier deliveries. The responsibility for delivering on the performance obligations ultimately remains with the company.

The company has concluded that it is the principal in all of its revenue from its "Account" business since it is the primary obligor in all these arrangements. Revenue is recognised when the service has been provided.

##### **Non-account**

Non-account revenues relate to bookings by individuals or businesses who do not hold an account with the company or a fellow subsidiaries of Addison Lee Financing Limited. Under this arrangement the individuals or businesses contract directly with a private-hire or courier driver. The company receives a booking/administration fee from drivers in return for referring the job.

The company has concluded that it is an agent in the contracts to deliver the underlying services for the non-account business. The company recognises the booking/administration fees receivable from the drivers as revenue.

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting policies (continued)**

##### **f) Business combinations**

Acquisitions of businesses are accounted for using the purchase method. The cost of the business combination is the fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the company in exchange for control of the acquire, plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets and liabilities in the acquiree is recognised as goodwill.

##### **g) Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

##### **Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration paid and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units.

##### **Software and IT development costs**

Software and IT development expenditures incurred on an individual project, including internal and external labour, is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

##### **Amortisation**

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Goodwill	Up to 5 years
Patents	Up to 5 years
Software and IT development costs	Up to 3 years

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting policies (continued)**

##### **g) Intangible assets (continued)**

###### **Impairment**

Intangible assets are tested for impairment when circumstances indicate that the carrying value may have suffered an impaired loss. 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 assets belongs.

The recoverable amount is the higher of fair value less costs of disposal and its value in use. In assessing the value in use, the estimated future cash flow 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

If the recoverable amount of an assets or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the assets or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss for the period in categories consistent with the function of the impaired asset.

##### **h) Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the unexpired term of the lease
Fixtures, fittings and equipment	Up to 3 years straight line
Motor vehicles	33% reducing balance

##### **i) Fixed asset investments**

Investments in subsidiaries and associates are accounted for at cost less impairment.



## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting policies (continued)**

##### **j) Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the company becomes a party to the contractual provisions of the instrument.

##### *Short-term debtors and creditors*

Debtors and creditors with no stated interest rate that are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss.

##### *Basic financial assets and liabilities*

Basic financial assets, which include trade debtors, trade creditors, bank loans, loans due to/from fellow group undertakings and preference shares that are classified as debt are initially measured at transaction price, and subsequently measured at amortised cost using the effective interest rate method.

Where an arrangement constitute a financing transaction, financial assets and financial liabilities are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### *Cash and cash equivalent*

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

##### *Non-basic financial assets and liabilities*

Non-basic financial instruments are measured at fair value through profit or loss.

##### *Equity instruments*

Equity instruments issued by the company are recorded at proceeds received, net of direct issue costs. Equity instrument is any contract that evidences a residual interest in assets of the company after deducting all of its liabilities.

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting policies (continued)**

##### **k) Taxation**

Taxation on the profit for the year represents the sum of current tax and deferred tax.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but have not reversed at the balance sheet date, where transactions or events have occurred at the date that will result in an obligation to pay more, or right to pay less or receive more tax.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated on an undiscounted basis using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **l) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# **ADDISON LEE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1. Accounting policies (continued)**

#### **m) Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets at cost and are depreciated over their estimated useful lives.

Assets obtained under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised as tangible fixed assets at the lower of fair value of the lease asset and the present value of the minimum lease payments. Assets held under finance leases are depreciated over the shorter of lease term and their estimated useful lives.

A corresponding liability is recognised in the balance sheet for each asset held under a hire purchase contract or a finance lease. Rental payments are apportioned between finance charges and reduction of the lease obligation.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term, except where another more systematic basis is more representative of the pattern in which the economic benefits from the lease asset are consumed.

### **2. Turnover**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
An analysis of the company's turnover is as follows:		
Account customers	144,143	145,183
Non-account customers	10,917	18,502
Other revenue streams	5,506	3,239
	<u>160,566</u>	<u>166,924</u>

All of the turnover of the company for the year ended 31 August 2019 (2018: 100%) has been derived from its principal activities that are wholly undertaken in the UK from continuing activities.

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

#### **3. Exceptional items**

		<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
Restructuring costs	(a)	7,881	10,730
Acquisition integration costs	(b)	-	1,119
Legal and professional fees	(c)	471	416
Rebranding costs	(d)	-	507
		<u>8,352</u>	<u>12,772</u>

- (a) Substantial restructuring costs were incurred to transform the business operations, including redundancies, professional fees and one off set- up costs associated with establishing new operations.  
(b) Various costs were incurred during the current year to integrate the businesses acquired.  
(c) Legal and professional fees related to legal matters of a one-off nature.  
(d) Costs were incurred during the year to carry out the first major rebranding of the business since the business commenced.

#### **4. Operating loss**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Operating loss for the year is stated after charging/(crediting):		
Intra-group management fee/(income)	2,354	(5,292)
Depreciation of tangible fixed assets	2,075	1,737
Amortisation of intangible assets	10,158	9,358
Operating lease charges	2,344	1,594
	<u>16,931</u>	<u>7,397</u>

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **5. Employees**

The average monthly number of persons, including directors, employed by the company during the year was:

	<b>2019</b>	<b>2018</b>
Administration	30	42
Distribution	368	385
	<u>398</u>	<u>427</u>

Their aggregate remuneration comprised:

	<b>2019</b>	<b>2018</b>
Wages and salaries	9,225	10,363
Social security costs	665	917
Pension costs	98	66
	<u>9,988</u>	<u>11,346</u>

In April 2017 the employment contracts for certain support staff were novated to Addison Lee Services Limited, a fellow wholly-owned subsidiary of Addison Lee Financing Limited, responsible for providing group companies with payroll processing and administration support.

These individuals continue to be engaged in the operations of Addison Lee Limited and their costs are included as recharges in the companies results.

#### **6. Directors' emoluments**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Remuneration for qualifying services	<u>725</u>	<u>848</u>

The remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>425</u>	<u>507</u>
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## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

#### **7. Interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest income</b>		
Interest on bank deposits	66	64
Interest receivable from group companies	693	481
Other interest income	-	5
	<b>759</b>	<b>550</b>
<b>Other income from investments</b>		
Dividend from subsidiary undertakings	-	4,027
Dividend from associates	400	120
Other investment gains	-	71
Exchange differences	(97)	3
	<b>1,062</b>	<b>4,771</b>

#### **8. Interest payable and similar charges**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable to group undertakings	5,644	1,098
Other interest payable	616	95
	<b>6,260</b>	<b>1,193</b>

# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 9. Taxation

	2019 £'000	2018 £'000
<b>Current tax</b>		
UK corporation tax on profits for the period	98	110
Adjustments in respect of prior periods	103	(561)
	<b>201</b>	<b>(451)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(993)
Current year	(1,779)	-
Adjustments in respect of prior periods	608	19
Effect of changes in tax rates	188	-
<b>Total deferred tax (credit)/charge</b>	<b>(983)</b>	<b>(974)</b>
<b>Total tax charge</b>	<b>(782)</b>	<b>(1,425)</b>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2019 £'000	2018 £'000
<b>Profit on ordinary activities before taxation</b>	<b>2,357</b>	<b>53</b>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.0% (2018: 19%)	448	10
Non deductible expenses	848	54
Adjustments in respect of prior periods	713	(561)
Effect of change of tax rate	186	19
Non taxable dividend	-	(970)
Controlled foreign company	97	109
Group relief/other reliefs	(2,998)	-
Tax credit for the year	-	(86)
Income non taxable	(76)	-
<b>Tax (credit) for the period</b>	<b>(782)</b>	<b>(1,425)</b>

The Finance Act (No.2) 2015 and the FA 2016 included legislations to reduce the main rate of UK corporation tax from 19% from 1 April 2017, and to 17 % from 1 April 2020. As these reductions were enacted at the balance sheet date, the closing deferred tax balances have been calculated at the rates at which the temporary differences are expected to reverse.

# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 10. Goodwill

Goodwill	£'000
<b>Cost</b>	
At 1 September 2018 and 31 August 2019	20,317
<b>Amortisation and impairment</b>	
At 1 September 2018	19,270
Amortisation charged for the year	1,047
At 31 August 2019	20,317
<b>Carrying amount</b>	
At 31 August 2019	-
At 31 August 2018	1,047

### 11. Other intangible assets

	Software and IT development £'000	Patents £'000	Total £'000
<b>Cost</b>			
At 1 September 2018	46,154	1,285	47,439
Additions	13,180	-	13,180
At 31 August 2019	59,334	1,285	60,619
<b>Amortisation and impairment</b>			
At 1 September 2018	23,275	838	24,113
Amortisation charged for the year	9,940	218	10,158
At 31 August 2019	33,215	1,056	34,271
<b>Carrying amount</b>			
At 31 August 2019	26,119	229	26,348
At 31 August 2018	22,879	447	23,326



# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 12. Tangible fixed assets

	Leasehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 September 2018	3,403	12,119	37	15,559
Additions	1,437	803	-	2,240
Disposals	(674)	(31)	(17)	(722)
At 31 August 2019	<u>4,166</u>	<u>12,891</u>	<u>20</u>	<u>17,077</u>
<b>Depreciation and impairment</b>				
At 1 September 2018	537	9,614	25	10,176
Depreciation charged in the year	338	1,734	3	2,075
Eliminated in respect of disposals	-	(1)	(13)	(14)
At 31 August 2019	<u>875</u>	<u>11,347</u>	<u>15</u>	<u>12,237</u>
<b>Carrying amount</b>				
At 31 August 2019	<u>3,291</u>	<u>1,544</u>	<u>5</u>	<u>4,840</u>
At 31 August 2018	<u>2,866</u>	<u>2,505</u>	<u>12</u>	<u>5,383</u>

## ADDISON LEE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

#### 13. Investments

	2019 £'000	2018 £'000
Cost or valuation	100	100

Details of the company's subsidiary undertakings are as follows:

Name of undertaking	Company registration number	Nature of business	% equity interest (1)	
			2019	2018
Registered office at The Point, 37 North Wharf Road, London W2 1AF:				
Blueback Limited	06377529	Private mini cab hire	100	100
W1 Cars Limited	08048025	Private mini cab hire	100	100
Professional IT (Logistics) Limited	03806233	Software development	100	100
Registered offices at: Heritage Hall, Le Marchant Street, St Peter Port, Guernsey GY1 4JH.				
The Addison Lee Purpose Trust (2)	Guernsey	Purpose Trust	-	-
Addison Lee Insurance Limited	Guernsey	Insurance captive	100	100
Addison Lee Trustee Limited	Guernsey	Trustee company	100	100

Details of the Company's associated undertaking is as follows:

Name of undertaking	Country of incorporation and place of business	Nature of business	Class of shareholding	% equity interest (1)	
				2019	2018
Haulmont Technology Limited	England & Wales	Software consultancy	Ordinary	30	30

- (1) Except for the interests in The Addison Lee Purpose Trust where the company is deemed to have control, all equity interest are held in ordinary shares.
- (2) The interest in The Addison Lee Purpose Trust is held indirectly and all other interests are held by the company directly.

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

#### **14. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	14,901	15,840
Amounts due from group undertakings	20,560	18,618
Amounts owed by related parties	3,442	3,258
Other debtors	938	48
Corporation tax receivable	403	538
Prepayments and accrued income	3,697	3,724
Deferred tax asset	1,995	1,012
	<u>45,936</u>	<u>43,038</u>
<b>Amounts falling due after more than one year:</b>		
Amounts due from group undertakings	3,498	2,805
	<u>3,498</u>	<u>2,805</u>
<b>Total debtors</b>	<b><u>49,434</u></b>	<b><u>45,843</u></b>

#### **15. Creditors: amounts falling due within one year:**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	5,474	9,777
Amounts due to group undertakings	5,015	22,255
Other taxation and social security	3,725	4,605
Other creditors	4,062	6,285
Obligations under finance leases and hire purchase contracts	670	-
Accruals and deferred income	10,316	4,538
	<u>29,262</u>	<u>47,460</u>

# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

### 16. Creditors: amounts falling after more than one year:

	2019 £'000	2018 £'000
Amounts due to group undertakings	33,577	9,831
Obligations under finance leases	417	1,184
Other loans	261	364
	<u>34,255</u>	<u>11,379</u>

### 17. Provisions

	2019 £'000	2018 £'000
Provisions	<u>837</u>	<u>571</u>

	Dilapidations provision £'000	Onerous lease £'000	Total £'000
At 1 September 2018	271	300	571
Charged/(released) to profit and loss account	(271)	537	266
At 31 August 2019	<u>-</u>	<u>837</u>	<u>837</u>

### 18. Deferred tax

	2019 £'000
Asset as at 1 September 2018	1,012
Charged to profit and loss account	<u>983</u>
Asset balance at 31 August 2019	<u>1,995</u>

### 19. Share capital

	2019 £'000	2018 £'000
Allotted, issued, and fully paid 200,000 ordinary shares of £1 each	<u>200</u>	<u>200</u>

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

#### **20. Share premium account**

	<b>2019 £'000</b>	<b>2018 £'000</b>
At beginning and end of year	<u>103</u>	<u>103</u>

#### **21. Capital commitments**

Capital expenditure contracted for but not provided in the financial statements comprised the following:

	<b>2019 £'000</b>	<b>2018 £'000</b>
Capital commitment - fixture and fitting	-	2,245
	<u>-</u>	<u>2,245</u>

#### **22. Operating lease commitments**

At the reporting date the company had the following operating lease commitments:

	<b>2019 £'000</b>	<b>2018 £'000</b>
Within one year	1,801	2,082
Between two and five years	10,303	9,027
Over five years	8,679	11,086
	<u>20,783</u>	<u>22,195</u>

#### **23. Financial commitments, guarantees and contingent liabilities**

Addison Lee Financing Limited, a subsidiary of Addison Lee Holdings Limited, holds a bank borrowing facility with ING Bank N.V. under which it currently owes £231.0 million (2018: £231.0 million). This loan facility is secured by a fixed and floating charge over the assets of the company and the assets of another subsidiary undertakings of Addison Lee Holdings Limited.

## **ADDISON LEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **24. Related parties**

The following are transactions with related parties engaged by the company during the year and the balances outstanding at the balance sheet date:

During the year, the company's associated undertaking, Haulmont Technology Limited, made sales of £1.5 million (2018: £2.3 million) to the company, and owes the company £0.5 million (2018: £0.2 million) at financial year end.

At the balance sheet date, the company is owed £1.3 million (2018: £1.3 million) from CEP II Alphyn I S.C.A, a company under common control.

At the balance sheet date, the company is owed £2.1 million (2018: £2.0 million) from a loan to the company's director, A Boland. Interest of £0.66 million (2018: £1.6 million) was charged by the company on the loan during the year.

The company is exempt from disclosing related party transactions with other wholly-owned subsidiary undertakings of Addison Lee Financing Limited.

#### **25. Controlling party**

The parent undertaking of the company is Addison Lee Financing Limited, a company incorporated in England and Wales.

The directors regarded the company's ultimate controlling parent entity as at 31 Aug 2019 to be Carlyle Europe Partners III LLP.

Group consolidated financial statements that incorporate the financial statements of the company are headed by Addison Lee Financing Limited. Company incorporated in England and Wales, with registered offices at The Point, 37 North Wharf Road, London W2 1AF.

Following the change of ownership on 23 March 2020, Cheyne SVC General Partner S.a.r.l. became the ultimate parent undertaking and controlling party.