

**ADDISON LEE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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# **ADDISON LEE LIMITED**

## **COMPANY INFORMATION**

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|--------------------------|---|
| <b>Directors</b>         | L Griffin<br>P Suter<br>P Gallagher                   |
| <b>Secretary</b>         | Q Vakani  |
| <b>Company number</b>    | 01205530  |
| <b>Registered office</b> | The Point,<br>37 North Wharf Road<br>London<br>W2 1AF |

# ADDISON LEE LIMITED

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# **ADDISON LEE LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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*The directors present their strategic report for the year ended 31 August 2021.*

### **Principal activities**

During the year under review, the Company was engaged principally in ground transportation activities in the UK, including the provision of the following services:

- private-hire and managed vehicles;
- executive cars and chauffeuring;
- airport transfers;
- roadshow and event transportation; and
- same day deliveries and courier; and

The Company is a part of Atlas Topco Limited Group. The Directors of Atlas Topco Limited manage the operations on a brand and segment basis. For this reason, the Directors believe that analysis using KPIs for the Company are not necessary or appropriate for an understanding of the development, performance, or position of the business of the Company. The KPIs of Atlas Topco Limited are discussed on pages 1 to 2 of Atlas Topco Limited's 2021 Annual Report and Financial Statements.

### **Business Review**

The results for the Company show a profit before income tax of £573,000 (2020: £2,017,000) and turnover of £100,518,000 (2020: £120,138,000). The financial position of the Company at the end of the year is given in the Statement of Financial Position on page 11. The Directors regard the performance for the year and the financial position at the year end, as stated in the Statement of Comprehensive Income and the Balance Sheet, as satisfactory.

### **Principal Risks and Uncertainties**

The Company is a part of Atlas Topco Limited Group. Business performance and principal risks and uncertainties of the Company are integrated with the performance and principal risks of the Group and are not managed separately. For this reason, the Company's Directors believe that further analysis is not necessary for an understanding of the development, performance, position, or risks of the business. The Atlas Topco Limited Group's principal risks and uncertainties are discussed in more detail in Atlas Topco Limited's 2021 Annual Report and Financial Statements, on pages 3 to 4.

### **Section 172 Statement**

The Directors of the Company consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the long-term success of the Company for the benefits of its stakeholders. The disclosures set out in the Section 172 Statement are some examples of how the Directors have had regard to the matters set out in s172 (1)(a-f) when discharging their duties and also assess how the Directors have taken into consideration the Company's business relationships with its stakeholders. The Directors foster effective shareholder relationships aligned to the Atlas Topco purpose. As part of the Atlas Topco Limited Group, engagement is mostly carried out on a Group-wide basis. The value and behaviours upheld when engaging with stakeholders are consistent across the Atlas Topco Group, whichever company is communicating with the stakeholders. The Directors consider the Company's key stakeholder groups to be largely consistent with those set out in the Atlas Topco Limited Annual Report and Financial Statements for the year ended 31 August 2021.

However, where the Group considers its shareholders and investors as key stakeholders, the Company largely engages with its own shareholder, Atlas Topco Limited, which also acts as ultimate shareholder. The Directors have strong relationships with Addison Lee Group Limited, its sole shareholder, with one Executive of Addison Lee Group Limited appointed as a Director of the Company's board.

# ADDISON LEE LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

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### Section 172 Statement (continued)

The Directors are provided with regular updates from Atlas Topco Group stakeholders across areas including finance, IT, risk, business development and strategy.

### Consequences of any decision in the long term

The Directors receive regular and timely information on all key aspects of the business, and decisions made are done so after careful consideration and debate of all information and detailed papers which focus on relevant stakeholder consideration. The Atlas Topco Limited Board annually approves the Group Budget, which also combines the Company's administrative expense forecast. The Company's Directors monitor the implementation of the Budget throughout the year.

### Employee Engagement

Our workforce is our most valuable asset. The Group requires all staff to attend training and prepare team action plans focused on improving customer and stakeholder interactions. The Group invests in training, coaching, and skills acquisition. Personal development of our employees is a key pillar of the *Group's strategy*. We aim to be a responsible employer in our approach to the pay and benefits of employees. The health, safety and wellbeing of our employees is one of the primary considerations in the way we do business. Examples of the Board's engagement with employees during the year include:

- Online Employee Surveys in order to help in assessment of employees' concerns and aspirations;
- Quarterly town hall meetings, where the Company's Directors present and are available to answer any questions; and
- Initiating and enabling employees to feedback about the day to day running of the business and ask questions about strategy and planning for the business.

Our Human Resources function has been reviewed and reorganised to ensure it is able to continually deliver an efficient and consistent service to our employees.

### Driver Engagement

Atlas Topco Limited Group is committed to providing the best earning opportunities and support for our professional passenger and courier drivers. In the Summer of 2021, we amended our Drivers' Scheme to provide improved earnings, additional incentives, holiday pay and a leading contractual pension scheme, which has been taken up by many of our drivers. Our drivers are earning, on average, 27% more than pre-pandemic levels. We are not only focused on earnings, however, and we have also introduced an industry-leading driver benefits scheme, AL Rewards through our partner, Collective Benefits. This scheme provides meaningful savings opportunities for all our drivers, with full time drivers qualifying for a range of benefits including sick pay, accident cover and death in service benefit as well as a number of other benefits. With the introduction of Electric Vehicles to our fleet, we are continuing to provide our drivers with the safest, most comfortable and economic vehicle in the London private hire market. Many of our drivers are saving more than £75 per week on fuel by driving an electric vehicle.

# **ADDISON LEE LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Business Relationships**

Atlas Topco Limited directors engage with a variety of stakeholders, including customers, regulators, and suppliers, to inform and enable balanced decisions that incorporate multiple viewpoints, in keeping with the Group's Strategy. In making decisions directors consider the viewpoints and perspectives of the various stakeholders as well as the importance of maintaining the Group's integrity, brand and reputation. Examples of the Board's engagement with stakeholders during 2021 include:

- Regular customer service performance updates and feedback from Customer Service surveys to assist in decision making regarding customer focused initiatives;
- Regular engagement with key corporate and business customers to better understand their requirements and how we can better serve their needs in line with the Group strategy; and
- Regular engagement with regulators, government and industry bodies as the leading premium ground transport and same day courier business to support the mobility requirements of London's businesses and population, in particular to ensure that we provide a safe transport solution to Londoners as demonstrated by our industry-first initiative to introduce screens and PPE in every standard car in our fleet.

### **Community and Environment**

Atlas Topco Limited has sustainability and environmental care firmly embedded in its very fabric and this is core to Group's strategy. The Group strives to be the most sustainable premium provider of scale ground transport services in London. Sustainability runs through all aspects of our business, from energy-saving technologies in our offices and depots, commitments to paper-less working wherever possible, recycling facilities in every location, consideration of environmental impact in key purchase and operational decisions including in sourcing policies including the Group's 3,200 vehicle fleet. We take our responsibility as a key mobility provider in London very seriously and give back in key areas where we can. In 2020, we supported the NHS with over £100,000 in free and subsidised journeys for key workers to get them to work safely in the Covid lockdown. We provided £20,000 to Centrepont, the charity for homeless young people in London, to provide additional rooms at Christmas in this most unsettling of times. And finally, we provided subsidised journeys to vulnerable people to get to and from vaccination centres in London to support the government's vaccine roll-out. We are committed to London as its success is our success.

### **Culture and values**

Atlas Topco Limited's culture is characterised by clear accountability, pace (of decision-making and implementation), responsiveness, mutual respect, alignment to our strategy and vision and integrity. Lawful conduct and fair competition are integral to all the Group's business activities and an important condition for maintaining a reputation for high standards of business conduct securing long term success. The Group is focused on people, with customers, drivers and staff being at the heart of the business. The Group embraces meritocracy, diversity, inclusion, flexibility, sustainability and continuous improvement. The Group has a customer-centric philosophy with transparent, fair and simple processes. The Board and senior management have taken active steps to drive cultural change and to ensure the corporate strategy, customer-orientation principles and Group values are embraced across the organisation.

# **ADDISON LEE LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

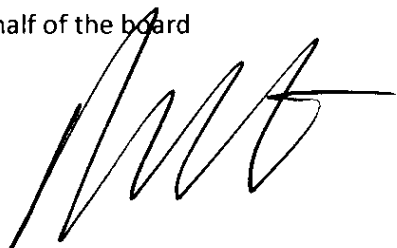
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### **Sustainability**

Managing our business in a sustainable manner remains a key element of our culture and strategy and to that end, Atlas Topco Limited Group has fully offset its carbon output since 2019 through our Greener Future Programme. In fact in the years ended August 2020 and August 2021 we have offset substantially more CO2 than we have emitted. Prior to this, Group's automated dispatch technology has won many awards for its impact on reducing the carbon footprint of the fleet through the efficient allocation of vehicles to minimise mileage. Over the last 5 years we have continued to upgrade the fleet to ensure ULEZ compliance and to minimise the NOx emissions in pursuit of cleaner air in London. From April 2019, the Group has invested in 1,200 Volkswagen Sharans, an investment of £41 million, to supplement our Euro 6 Ford Galaxy fleet with the aim to further reduce the fleet's NOx emissions. We are committed to fully migrating our core London fleet to wholly electric drive-trains by the end of 2023, subject to the availability of vehicles and are taking delivery of 450 Volkswagen ID.4s, the first of which entered into service in November. By the end of FY22, we are planning to have up to 1500 electric vehicles in the fleet and this transition will continue in FY23 and beyond.

As part of our greener future programme, we are offsetting our carbon emissions by partnering with Climate and development experts, Climatecare. This means that whenever you travel with us, your journey will be carbon neutral and will contribute to the improving health and well-being of global communities.

On behalf of the board



**P Suter**

Date: 16 May 2022

# **ADDISON LEE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

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The directors present their report and unaudited financial statements for the year ended 31 August 2021.

### **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 2020:

L Griffin  
P Suter  
P Gallagher

### **Dividends**

Dividend of £nil was paid during the year (2020: £nil).

### **Financial instruments**

The company's financial instruments including amounts due to, and from, other members of the group headed by Atlas Topco 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.

### **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

  
P Suter  
Director

Date: 16 May 2022



## **ADDISON LEE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021**

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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

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2021

|  | Notes | 2021<br>£'000     | 2020<br>£'000       |
|--|-------|-------------------|---------------------|
| <b>Turnover</b>                                | 2     | 100,518           | 120,138             |
| Cost of sales                                  |       | (63,909)          | (74,676)            |
| <b>Gross profit</b>                            |       | <u>36,609</u>     | <u>45,462</u>       |
| Distribution costs                             |       | (10,303)          | (12,802)            |
| Administrative expenses                        |       | (24,602)          | (30,609)            |
| Exceptional items                              | 3     | -                 | 6,244               |
| <b>Operating profit</b>                        | 4     | <u>1,704</u>      | <u>8,295</u>        |
| Interest receivable and similar income         | 7     | 155               | 72                  |
| Interest payable and similar charges           | 8     | (885)             | (5,316)             |
| <b>Net profit before tax</b>                   |       | <u>974</u>        | <u>3,051</u>        |
| Taxation                                       | 9     | (401)             | (1,034)             |
| <b>Profit for the financial year</b>           |       | <u><b>573</b></u> | <u><b>2,017</b></u> |
| Other comprehensive income                     |       | -                 | -                   |
| <b>Total comprehensive income for the year</b> |       | <u><b>573</b></u> | <u><b>2,017</b></u> |

The activities of the company are continuing.

# ADDISON LEE LIMITED

## BALANCE SHEET AS AT 31 AUGUST 2021

|  | Notes | 2021<br>£'000        | 2020<br>£'000        |
|--|-------|----------------------|----------------------|
| <b>Fixed assets</b>                          |       |                      |                      |
| Other intangible assets                      | 10    | 10,237               | 17,730               |
| Tangible assets                              | 11    | 2,858                | 3,414                |
| Investments                                  | 12    | 100                  | 100                  |
|  |       | <u>13,195</u>        | <u>21,244</u>        |
| <b>Current assets</b>                        |       |                      |                      |
| Debtors                                      | 13    | 12,487               | 13,199               |
| Cash at bank                                 |       | 20,066               | 20,115               |
|  |       | <u>32,553</u>        | <u>33,314</u>        |
| <b>Creditors:</b>                            |       |                      |                      |
| Amounts falling due within one year          | 14    | <u>(23,728)</u>      | <u>(32,969)</u>      |
| <b>Net current assets</b>                    |       | <u>8,825</u>         | <u>345</u>           |
| <b>Total assets less current liabilities</b> |       | <u>22,020</u>        | <u>21,589</u>        |
| <b>Creditors:</b>                            |       |                      |                      |
| Amounts falling due after more than one year | 15    | <u>-</u>             | <u>(142)</u>         |
| <b>Net assets</b>                            |       | <u><b>22,020</b></u> | <u><b>21,447</b></u> |
| <b>Capital and reserves</b>                  |       |                      |                      |
| Called up share capital                      | 16    | 200                  | 200                  |
| Share premium account                        |       | 103                  | 103                  |
| Profit and loss reserves                     |       | 21,717               | 21,144               |
| <b>Total shareholders' funds</b>             |       | <u><b>22,020</b></u> | <u><b>21,447</b></u> |

For the year ended 31 August 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Under section 479C of the Companies Act 2006 Atlas Topco Limited has given a parent guarantee to the company over its outstanding liabilities as at 31 August 2021 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 16 May 2022.

**P Suter**  
Director

## **ADDISON LEE LIMITED**

### **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2021**

|   | <b>Share<br/>capital</b> | <b>Share<br/>premium<br/>account</b> | <b>Profit<br/>and loss<br/>account</b> | <b>Total</b>  |
|---|--------------------------|--------------------------------------|--|---------------|
|   | <b>£'000</b>             | <b>£'000</b>                         | <b>£'000</b>                           | <b>£'000</b>  |
| <b>Balance at 31 August 2019</b>        | <b>200</b>               | <b>103</b>                           | <b>19,127</b>                          | <b>19,430</b> |
| Profit for the financial year           | -                        | -                                    | 2,017                                  | 2,017         |
| Total comprehensive income for the year | -                        | -                                    | 2,017                                  | 2,017         |
| <b>Balance at 31 August 2020</b>        | <b>200</b>               | <b>103</b>                           | <b>21,144</b>                          | <b>21,447</b> |
| Profit for the financial year           | -                        | -                                    | 573                                    | 573           |
| Total comprehensive income for the year | -                        | -                                    | 573                                    | 573           |
| <b>Balance at 31 August 2021</b>        | <b>200</b>               | <b>103</b>                           | <b>21,717</b>                          | <b>22,020</b> |

# **ADDISON LEE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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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.

On 23 March 2020, Addison Lee Financing Limited together with its subsidiaries, which included Addison Lee Limited was acquired by consortium of investors, led by Cheyne Capital and Liam Griffin.

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

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

The financial statements of Addison Lee Limited were approved for issue by the Board of Directors on 16 May 2022.

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 Atlas Topco Limited, a company incorporated in England and Wales, in which the company's financial statements for the year ended 31 August 2021 are consolidated.

The company has taken advantage of an exemption from disclosing transactions with wholly-owned subsidiaries undertakings of Atlas Topco Limited.

# **ADDISON LEE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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

#### **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.

#### **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 Atlas Topco 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 Atlas Topco 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 2021**

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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.

#### **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:

|                                   |               |
|-----------------------------------|---------------|
| 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 2021**

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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 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.



**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 instruments 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 2021**

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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 2021

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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

|  | 2021<br>£'000  | 2020<br>£'000  |
|--|----------------|----------------|
| An analysis of the company's turnover is as follows: |                |                |
| Account customers                                    | 90,692         | 108,191        |
| Non-account customers                                | 9,010          | 4,826          |
| Other revenue streams                                | 816            | 7,121          |
|  | <u>100,518</u> | <u>120,138</u> |

All of the turnover of the company for the year ended 31 August 2021 (2020: 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 2021

### 3. Exceptional items

|                             |     | 2021<br>£'000 | 2020<br>£'000  |
|-----------------------------|-----|---------------|----------------|
| Restructuring income        | (a) | -             | (6,299)        |
| Legal and professional fees | (b) | -             | 55             |
|                             |     | <u>-</u>      | <u>(6,244)</u> |

(a) Includes income relating to the restructuring of loan balances as a result of the acquisition.

(b) Legal and professional fees related to legal matters of a one-off nature.

### 4. Operating profit

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Operating profit for the year is stated after charging: |               |               |
| Depreciation of tangible fixed assets                   | 694           | 1,538         |
| Amortisation of intangible assets                       | 9,198         | 12,372        |
| Operating lease charges (property)                      | <u>2,510</u>  | <u>2,219</u>  |
|   | <u>13,686</u> | <u>17,923</u> |

### 5. Employees

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

|                | 2021       | 2020       |
|----------------|------------|------------|
| Administration | 18         | 19         |
| Distribution   | <u>227</u> | <u>344</u> |
|                | <u>245</u> | <u>363</u> |

Their aggregate remuneration comprised:

|                       | 2021         | 2020         |
|-----------------------|--------------|--------------|
| Wages and salaries    | 6,210        | 6,543        |
| Social security costs | 571          | 472          |
| Pension costs         | <u>100</u>   | <u>70</u>    |
|                       | <u>6,881</u> | <u>7,085</u> |

In April 2017 the employment contracts for certain support staff were novated to Addison Lee Services Limited, a fellow wholly-owned subsidiary of Atlas Topco 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 company's results.

# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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### 6. Directors' emoluments

Directors are remunerated by (and their emoluments are disclosed in) Addison Lee Services Limited (a fellow subsidiary of Atlas Topco Limited).

### 7. Interest receivable and similar income

|                                      | 2021<br>£'000 | 2020<br>£'000 |
|--------------------------------------|---------------|---------------|
| <b>Interest income</b>               |               |               |
| Interest on bank deposits            | -             | 40            |
|                                      | <u>40</u>     | <u>40</u>     |
| <b>Other income from investments</b> |               |               |
| Dividend from associates             | 150           | -             |
| Exchange differences                 | 5             | 32            |
|                                      | <u>155</u>    | <u>72</u>     |

### 8. Interest payable and similar charges

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Interest payable to group undertakings | -             | 4,522         |
| Other interest payable                 | 885           | 794           |
|  | <u>885</u>    | <u>5,316</u>  |

# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

### 9. Taxation

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>Current tax</b>                           |               |               |
| UK corporation tax on profits for the period | 11            | 9             |
| Adjustments in respect of prior periods      | 390           | (136)         |
|  | <u>401</u>    | <u>(127)</u>  |
| <b>Deferred tax</b>                          |               |               |
| Adjustments in respect of prior periods      | -             | 1,161         |
| <b>Total deferred tax charge</b>             | <u>-</u>      | <u>1,161</u>  |
| <b>Total tax charge</b>                      | <u>401</u>    | <u>1,034</u>  |

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

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>Profit on ordinary activities before taxation</b>   | <u>573</u>    | <u>3,051</u>  |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.0% (2020: 19%) | 109           | 580           |
| Non-deductible expenses  | -             | 183           |
| Adjustments in respect of prior years  | 390           | 1,025         |
| Controlled foreign company   | 11            | 9             |
| Income non taxable   | (109)         | (5,626)       |
| Deferred tax not recognised  | -             | 4,863         |
| <b>Tax charge for the period</b>   | <u>401</u>    | <u>1,034</u>  |

# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

### 10. Other intangible assets

|                                   | Software and<br>IT<br>development<br>£'000 | Patents<br>£'000 | Total<br>£'000 |
|-----------------------------------|--|------------------|----------------|
| <b>Cost</b>                       |  |                  |                |
| At 1 September 2020               | 63,074                                     | 1,299            | 64,373         |
| Additions                         | 1,705                                      | -                | 1,705          |
| At 31 August 2021                 | <u>64,779</u>                              | <u>1,299</u>     | <u>66,078</u>  |
| <b>Amortisation</b>               |  |                  |                |
| At 1 September 2020               | 45,435                                     | 1,208            | 46,643         |
| Amortisation charged for the year | 9,146                                      | 52               | 9,198          |
| At 31 August 2021                 | <u>54,581</u>                              | <u>1,260</u>     | <u>55,841</u>  |
| <b>Carrying amount</b>            |  |                  |                |
| At 31 August 2021                 | <u>10,198</u>                              | <u>39</u>        | <u>10,237</u>  |
| At 31 August 2020                 | <u>17,639</u>                              | <u>91</u>        | <u>17,730</u>  |

### 11. Tangible fixed assets

|                                  | Leasehold<br>land and<br>buildings<br>£'000 | Fixtures,<br>fittings and<br>equipment<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|----------------------------------|---|---|----------------------------|----------------|
| <b>Cost</b>                      |   |   |                            |                |
| At 1 September 2020              | 4,143                                       | 13,026  | 20                         | 17,189         |
| Additions                        | 110   | 28  | -                          | 138            |
| At 31 August 2021                | <u>4,253</u>                                | <u>13,054</u>                                   | <u>20</u>                  | <u>17,327</u>  |
| <b>Depreciation</b>              |   |   |                            |                |
| At 1 September 2020              | 1,186                                       | 12,573  | 16                         | 13,775         |
| Depreciation charged in the year | 312   | 381   | 1                          | 694            |
| At 31 August 2021                | <u>1,498</u>                                | <u>12,954</u>                                   | <u>17</u>                  | <u>14,469</u>  |
| <b>Carrying amount</b>           |   |   |                            |                |
| At 31 August 2021                | <u>2,755</u>                                | <u>100</u>                                      | <u>3</u>                   | <u>2,858</u>   |
| At 31 August 2020                | <u>2,957</u>                                | <u>453</u>                                      | <u>4</u>                   | <u>3,414</u>   |

# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

### 12. Investments

|                   | 2021<br>£'000 | 2020<br>£'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) |      |
|--|-----------------------------|--------------------|-----------------------|------|
|  |                             |                    | 2021                  | 2020 |
| Registered office at The Point, 37 North Wharf Road, London W2 1AF:                        |                             |                    |                       |      |
| Blueback Limited   | 06377529                    | Dormant            | 100                   | 100  |
| W1 Cars Limited  | 08048025                    | Dormant            | 100                   | 100  |
| Professional IT (Logistics) Limited  | 03806233                    | Dormant            | 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<br>incorporation and<br>place of business | Nature of business   | Class of<br>shareholding | % equity<br>interest (1) |      |
|-----------------------------|--|----------------------|--------------------------|--------------------------|------|
|                             |  |                      |                          | 2021                     | 2020 |
| Haulmont Technology Limited | England & Wales                                      | Software consultancy | Ordinary                 | 30                       | 30   |

- (1) Except for the interests in 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 2021

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### 13. Debtors

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Amounts falling due within one year:</b> |               |               |
| Trade debtors                               | 9,261         | 8,909         |
| Other debtors                               | 263           | 1,017         |
| Corporation tax receivable                  | -             | 390           |
| Prepayments and accrued income              | 2,964         | 2,812         |
|   | <hr/> 12,488  | <hr/> 13,128  |

### 14. Creditors: amounts falling due within one year:

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Trade creditors  | 2,549         | 3,954         |
| Amounts due to group undertakings                            | 614           | 8,441         |
| Other taxation and social security                           | 5,036         | 9,095         |
| Other creditors  | 9,653         | 3,017         |
| Obligations under finance leases and hire purchase contracts | 182           | 538           |
| Accruals and deferred income                                 | 5,666         | 7,766         |
| Other loans  | 17            | 158           |
| Corporation tax payable                                      | 11            | -             |
|  | <hr/> 23,728  | <hr/> 32,969  |

# ADDISON LEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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

|                                  | 2021<br>£'000 | 2020<br>£'000 |
|----------------------------------|---------------|---------------|
| Obligations under finance leases | -             | 125           |
| Other loans                      | -             | 17            |
|                                  | <u>-</u>      | <u>142</u>    |

### 16. Share capital

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Allotted, issued, and fully paid</b> |               |               |
| 200,000 ordinary shares of £1 each      | <u>200</u>    | <u>200</u>    |

### 17. Operating lease commitments

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

|                            | 2021<br>£'000 | 2020<br>£'000 |
|----------------------------|---------------|---------------|
| Within one year            | 2,466         | 2,317         |
| Between two and five years | 9,240         | 9,567         |
| Over five years            | 4,342         | 6,481         |
|                            | <u>16,048</u> | <u>18,365</u> |

### 18. 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 £1.6 million (2020: £1.3 million) to the company, and owes the company £0.2 million (2020: £0.1 million) at financial year end. The company received a dividend from Haulmont Technology Limited of £0.2m during the year (2020: nil).

The company is exempt from disclosing related party transactions with other wholly-owned subsidiary undertakings of Atlas Topco Limited.

# **ADDISON LEE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

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### **19. Controlling party**

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

The directors regarded the company's ultimate controlling parent entity as at 31 August 2021 to be Cheyne European Strategic Value Credit S.a.r.l 3.

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