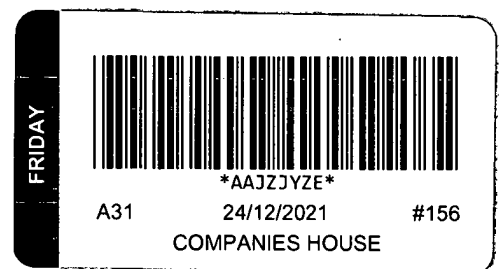


Company Registration No. 03087934 (England and Wales)

CAREY ENGLAND LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



CAREY ENGLAND LIMITED

COMPANY INFORMATION

Directors	G H Mendoza M J Lahr
Secretary	G H Mendoza
Company number	03087934
Registered office	100 New Bridge Street London EC4V 6JA United Kingdom
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom
Bankers	Barclays Bank plc Fleet Street Business Centre Strand Corporate Banking Group 99 Hatton Garden London EC1N 8DN
Solicitors	Baker & McKenzie LLP 100 New Bridge Street London EC4V 6JA United Kingdom

CAREY ENGLAND LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

The Chauffeur industry has been adversely impacted by the Covid-19 pandemic during the year that has been unprecedented. There has been an overall year on year decrease in revenue of £11,982k (305.9%). The companies that focus on business travel continue to face strong headwinds due to the pandemic, Meetings and Event revenues has decreased year on year (128.8%), amounting to £604k, Airline revenues has decreased year on year (625.0%), amounting to £8,035k, Roadshows revenues has decreased year on year (451.8%), amounting to £169k and Local corporate market has decreased year on year (63.5%), amounting to £1,088k. These falls are driven by the general global slowdown and the adverse impact of the pandemic is having in the United Kingdom economy. The overall downturn in the revenues above has in turn resulted in a year on year decrease in the Service Provider amounts due to external providers.

Management fees were reduced year on year amounting to £71,694. The reduction is aligned with the method of calculation that would exclude non-core revenues and is aligned with Carey's global franchise agreements.

With lower revenues gross margins decreased with a year on year gross profit decrease of £4,188k from £1,817k to £2,371k gross (loss). Selling and general administration expenses remain under tight control with an Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of £2,228k (loss). At the reporting date, the company had net current liabilities of £3,685k (2019: net current liabilities of £1,200k), and net (liabilities) of £2,653k (2019: £92k). The decrease in net assets was a result of the company loss for the year after tax of £2,744k.

Impact of Covid-19 and future developments

Covid-19 has caused significant disruption directly to Carey England's key market, in particular as a result of lockdowns and restricted travel around the UK and Europe. In order to mitigate these risks Carey England Limited has implemented cost saving measures over the course of 2021, the Company took advantage of UK government schemes, furloughing staff and deferring tax payments. The directors also took the difficult decision to reduce the workforce significantly and reduce fleet size.

The current business strategy is to focus attention on new and defensible revenue streams whilst maintaining the flexible business developed over the past 12 months.

Going Concern

The company made a loss of £2,744,446 (2019: £654,102) in the year ending 31 December 2020 and at that date has net current liabilities of £3,107,900 (2019: £1,199,920). The company is expected to remain dependant on the parent company support both financially and operationally due to the nature of the business and use of the worldwide Carey brand.

The financial statements have been prepared on a going concern basis which assumes that the company will be able to continue in operational existence for the foreseeable future. The validity of this assumption depends on Carey International Incorporated continuing to meet its day to day working capital requirements.

The directors have considered the Carey England Limited cash requirements and the net current liabilities position means that Carey England Limited is reliant on the Carey International Incorporated group for financial support. For the reasons discussed below the directors have no reason to believe that group support will not continue at the required level and that Carey International Incorporated will not be able to support Carey England Limited's cash requirements for a period of at least 12 months from the date of signing the financial statements. The directors have received a letter of support from Carey International Incorporated in this regard and confirming that inter-group balances will not be recalled.

In order to reduce the level of support required Carey England Limited has implemented cost saving measures over the course of 2021, the Company took advantage of UK government schemes, furloughing staff and deferring tax payments. The directors took the difficult decision to reduce the workforce significantly and reduce fleet size.

CAREY ENGLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Based upon projected future cashflows within the company this support has been considered and the ultimate parent company has indicated their ability to provide this level of support. The directors have considered the ultimate parent company's ability to provide this support.

In November 2020, the term loan facility lenders extinguished the term loan principal and all accrued interest in exchange for equity. In December 2020, Carey International Incorporated secured a \$30 million loan. Proceeds from this loan were used in part to pay creditors whose balances had accumulated during 2020 as a result of COVID-19 and the detrimental impact the pandemic had on revenues. The remaining proceeds will be utilized by the Group as a working capital facility.

Due to the impact of the COVID-19 pandemic Carey International Incorporated was required to evaluate and subsequently write down its goodwill balance as of April 2020. This was a non-recurring, non-cash and non-operational entry which creates a risk the Company's shareholder equity could fall below the required level for a December 31, 2021 covenant attached to a \$30 million loan held in the Carey International Incorporated. The potential breach would result in a liquidity shortfall. In the event of a breach the Company will seek a waiver for this covenant, and based on projected forecasts Carey International Incorporated anticipates being in compliance with all future financial covenants related to the credit facility. Until such negotiations have been completed with the loan holder, there can be no complete certainty over what action the loan holder may take and therefore that the parent will be able to provide the required support required by Carey England Limited.

Carey International Incorporated have a consistent record of providing timely support to Carey England Limited and this has continued to be forthcoming since the start of the Covid-19 pandemic. However, the directors recognise there are key assumptions outside of the global group's control around the reopening of lockdown conditions in the UK and US and Carey International Incorporated.

The above matters constitute material uncertainties which may cast significant doubt over the company's ability to continue as a going concern.

However, based upon the assumptions and the historic support received the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

The financial statements do not include any adjustments that would result from a failure by the Carey International Incorporated group to maintain adequate future cashflows or funding.

Key Performance Indicators (KPI's)

The management reviews and uses turnover and EBITDA performance indicators on a regular basis to help manage the operations of the company.

Additionally, the company also uses several KPI's to measure and control the performance of its operations. The KPI's monitored vary as the operations and business environment dictate and include but are not limited to: Customer Service Advisories, Reservations Efficiency (number of calls taken), Service Provider Mix (type of service offering), Customer Pricing and Invoicing (processing of jobs to invoicing stage) and fleet utilisation (efficiency of fleet allocation). Attention to such metrics ensures we fully understand the complex business of the chauffeur industry and can consistently meet the high expectations of our clients.

	2020	2019
	£	£
Turnover	3,917,551	15,899,830
EBITDA	(2,228,429)	414,042

Non-Financial Key Performance Indicators

The Management also uses several non-financial KPI's within the business that include: Quality of service provided to the end customer, fleet safety reviews, regulatory compliance checks, adherence to the Carey policies and an average trip value improvement and utilisation reviews.

Compared to prior year the total average number of trips was down by (540.3%) mainly due to the reduction in trips that related to all business segments due to the pandemic.

CAREY ENGLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Risks and Uncertainties

The main risk and uncertainties faced by the company are as follows:

Liquidity risk - The Company reviews its cash position on a daily basis and a forecast cash flow statement on a regular basis.

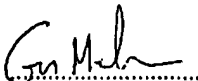
Credit risk - The Company regularly reviews its debtor listing and imposes a stringent credit control policy.

Economic forecasts are constantly changing, and government support for businesses is evolving. These uncertainties give rise to difficulties in making precise assessments of the future impacts on the reporting entity. Management will continue to closely monitor further economic development and its impact, the extent of which will depend on how long the aftermath of the Covid-19 pandemic lasts.

Reputation - The Company ensures that regular reviews of its services are undertaken to ensure that high standards are maintained.

Regulatory risk - Our industry is governed by a number of regulatory compliance requirements and to help mitigate any potential associated risk we have a robust internal process in place.

On behalf of the board



G H Mendoza
Director

Date: 21/12/21

CAREY ENGLAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of the provision of chauffeur driven car hire.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Matters of strategic importance

Information on future developments is not shown within the Directors' Report as it is instead included within the Strategic Report on page 1 under S414c(11).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G H Mendoza

M J Lahr

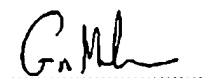
Auditor

The auditors, RSM UK Audit LLP, Chartered Accountants, have indicated their willingness to continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



G H Mendoza

Director

Date: 21/12/21

CAREY ENGLAND LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREY ENGLAND LIMITED

Opinion

We have audited the financial statements of Carey England Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern accounting policy on page 13 and 14 of the financial statements, which indicates that the company may be adversely affected by the continuing impact of the Covid-19 (Coronavirus) outbreak and the associated added uncertainty over the ability of the parent company to provide the necessary support. Whilst the directors are taking action to mitigate the impact, given the unpredictable nature and impact of the outbreak and the uncertainty over the recovery of their key markets the directors are unable to predict the full extent of the impact with regards to the going concern basis of accounting and its related disclosures. As stated in note 1 on page 13 and 14, these events or conditions, along with the other matters as set forth in note 1 on page 13 and 14, indicate that a material uncertainty exists that may cast significant doubt on the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREY ENGLAND LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREY ENGLAND LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included review financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Coronavirus Job Retention Scheme. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and reviewed submissions for evidence of incorrect claims.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. In respect of management override of controls, audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and assessing the appropriateness of estimates and judgements made by management. In respect of revenue recognition, audit procedures performed included but were not limited to reviewing sales invoices through to the Echo IT system and cash receipts.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tim Robinson

Tim Robinson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

.....
22/12/21

CAREY ENGLAND LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	3,917,552	15,899,830
Cost of sales		(6,288,815)	(14,083,284)
Gross (loss)/profit		(2,371,263)	1,816,546
Administrative expenses		(2,190,800)	(2,395,566)
Other operating income		1,846,827	-
Operating loss	4	(2,715,236)	(579,020)
Interest payable and similar expenses	8	(29,210)	(74,447)
Loss before taxation		(2,744,446)	(653,467)
Tax on loss	9	-	(635)
Loss for the financial year		(2,744,446)	(654,102)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

CAREY ENGLAND LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	10		57,659		105,184
Tangible assets	11		566,765		2,064,969
			<u>624,424</u>		<u>2,170,153</u>
Current assets					
Debtors	12	495,529		1,956,927	
Cash at bank and in hand		81,517		506,811	
		<u>577,046</u>		<u>2,463,738</u>	
Creditors: amounts falling due within one year	13	(3,684,946)		(3,663,658)	
Net current liabilities			<u>(3,107,900)</u>		<u>(1,199,920)</u>
Total assets less current liabilities			<u>(2,483,476)</u>		<u>970,233</u>
Creditors: amounts falling due after more than one year	14		(169,175)		(878,438)
Net (liabilities)/assets			<u>(2,652,651)</u>		<u>91,795</u>
Capital and reserves					
Called up share capital	17		92,000		92,000
Share premium account	18		819,000		819,000
Capital redemption reserve	18		765,247		765,247
Profit and loss reserves	18		(4,328,898)		(1,584,452)
Total equity			<u>(2,652,651)</u>		<u>91,795</u>

The financial statements were approved by the board of directors and authorised for issue on 21/12/21 and are signed on its behalf by:



G H Mendoza
Director

CAREY ENGLAND LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019	92,000	819,000	765,247	(930,350)	745,897
Year ended 31 December 2019:					
Loss and total comprehensive income for the year	-	-	-	(654,102)	(654,102)
Balance at 31 December 2019	92,000	819,000	765,247	(1,584,452)	91,795
Year ended 31 December 2020:					
Loss and total comprehensive income for the year	-	-	-	(2,744,446)	(2,744,446)
Balance at 31 December 2020	92,000	819,000	765,247	(4,328,898)	(2,652,651)

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Carey England Limited is a private company limited by shares registered and incorporated in England and Wales. The registered office is 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

The company's principal activities are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Carey UK Limited. The consolidated financial statements of Carey UK Limited are available from its registered office 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Going concern

The company made a loss of £2,744,446 (2019: £654,102) in the year ending 31 December 2020 and at that date has net current liabilities of £3,107,900 (2019: £1,199,920). The company is expected to remain dependant on the parent company support both financially and operationally due to the nature of the business and use of the worldwide Carey brand.

The financial statements have been prepared on a going concern basis which assumes that the company will be able to continue in operational existence for the foreseeable future. The validity of this assumption depends on Carey International Incorporated continuing to meet its day to day working capital requirements.

The directors have considered the Carey England Limited cash requirements and the net current liabilities position means that Carey England Limited is reliant on the Carey International Incorporated group for financial support. For the reasons discussed below the directors have no reason to believe that group support will not continue at the required level and that Carey International Incorporated will not be able to support Carey England Limited's cash requirements for a period of at least 12 months from the date of signing the financial statements. The directors have received a letter of support from Carey International Incorporated in this regard and confirming that inter-group balances will not be recalled.

In order to reduce the level of support required Carey England Limited has implemented cost saving measures over the course of 2021, the Company took advantage of UK government schemes, furloughing staff and deferring tax payments. The directors took the difficult decision to reduce the workforce significantly and reduce fleet size.

Based upon projected future cashflows within the company this support has been considered and the ultimate parent company has indicated their ability to provide this level of support. The directors have considered the ultimate parent company's ability to provide this support.

In November 2020, the term loan facility lenders extinguished the term loan principal and all accrued interest in exchange for equity. In December 2020, Carey International Incorporated secured a \$30 million loan. Proceeds from this loan were used in part to pay creditors whose balances had accumulated during 2020 as a result of COVID-19 and the detrimental impact the pandemic had on revenues. The remaining proceeds will be utilized by the Group as a working capital facility.

Due to the impact of the COVID-19 pandemic Carey International Incorporated was required to evaluate and subsequently write down its goodwill balance as of April 2020. This was a non-recurring, non-cash and non-operational entry which creates a risk the Company's shareholder equity could fall below the required level for a December 31, 2021 covenant attached to a \$30 million loan held in the Carey International Incorporated. The potential breach would result in a liquidity shortfall. In the event of a breach the Company will seek a waiver for this covenant, and based on projected forecasts Carey International Incorporated anticipates being in compliance with all future financial covenants related to the credit facility. Until such negotiations have been completed with the loan holder, there can be no complete certainty over what action the loan holder may take and therefore that the parent will be able to provide the required support required by Carey England Limited.

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The above matters constitute material uncertainties which may cast significant doubt over the company's ability to continue as a going concern.

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

However, based upon the assumptions and the historic support received the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

The financial statements do not include any adjustments that would result from a failure by the Carey International Incorporated group to maintain adequate future cashflows or funding.

Turnover

Turnover comprises revenue recognised by the company in respect services provided during the year and represents the invoiced value of such services, exclusive of Value Added Tax and trade discounts. Turnover is recognised at the point of service is delivered to the customers.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Software	over 3 years straight line
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No amortisation was charged until the capitalised software costs were ready for use in March 2019.

Tangible fixed assets

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

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

Plant and machinery	20% - 50% straight line
Fixtures, fittings and equipment	10% - 50% straight line
Computer equipment	20% - 50% straight line
Motor vehicles	The shorter of the attributable lease period and four years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates 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 not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. In the directors' opinion, there are no estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Chaffeur driven cars	3,917,552	15,899,830
	<u> </u>	<u> </u>
	2020 £	2019 £
Other revenue		
Grants received	1,846,827	-
	<u> </u>	<u> </u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	3,917,552	15,899,830
	<u> </u>	<u> </u>

4 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	458	10,004
Government grants	(1,846,827)	-
Fees payable to the company's auditor for the audit of the company's financial statements	38,000	36,000
Depreciation of owned tangible fixed assets	58,979	26,375
Depreciation of tangible fixed assets held under finance leases	427,828	929,295
Loss on disposal of tangible fixed assets	242,657	24,369
Amortisation of intangible assets	47,525	37,392
Operating lease charges	133,797	216,706
	<u> </u>	<u> </u>

5 Government grants

During the year, the company made a successful application under the government Coronavirus Job Retention Scheme to aid businesses with the financial impact of the COVID-19 pandemic. The total amount claimed during the year was £1,846,827 (2019: £Nil). No amounts remained receivable at the year end. The grant relates to staff costs, which are included within cost of sales and administrative expenses and the grant of £1,846,827 (2019: £Nil) has been recognised in the statement of comprehensive income as other operating income.

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

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

	2020 Number	2019 Number
Chauffeurs and support staff	123	213
Administration	17	19
	<u>140</u>	<u>232</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,702,139	5,844,440
Social security costs	352,312	616,475
Pension costs	100,739	169,633
	<u>4,155,190</u>	<u>6,630,548</u>

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	130,330	127,864
Company pension contributions to defined contribution schemes	6,718	6,718
	<u>137,048</u>	<u>134,582</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019: 1).

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on finance leases and hire purchase contracts	<u>29,210</u>	<u>74,447</u>

9 Taxation

	2020 £	2019 £
Current tax		
Adjustments in respect of prior periods	-	635
	<u>-</u>	<u>635</u>

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(2,744,446)	(653,467)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(521,445)	(124,159)
Tax effect of expenses that are not deductible in determining taxable profit	-	805
Adjustments in respect of prior years	-	635
Group relief	1,040	6,317
Fixed asset timing differences	439	368
Movement in deferred tax	(65,892)	12,281
Deferred tax not recognised	585,858	104,388
Taxation charge for the year	-	635

The company has estimated losses of £3,319,918 (2019: £797,347) available for carry forward against future trading profits, on which a deferred tax asset has not been recognised due to uncertainty over its recovery.

10 Intangible fixed assets

	Software £
Cost	
At 1 January 2020 and 31 December 2020	142,576
Amortisation and impairment	
At 1 January 2020	37,392
Amortisation charged for the year	47,525
At 31 December 2020	84,917
Carrying amount	
At 31 December 2020	57,659
At 31 December 2019	105,184

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	647,797	151,419	482,534	3,869,800	5,151,550
Disposals	-	-	-	(2,348,501)	(2,348,501)
At 31 December 2020	647,797	151,419	482,534	1,521,299	2,803,049
Depreciation and impairment					
At 1 January 2020	647,393	132,148	437,192	1,869,848	3,086,581
Depreciation charged in the year	404	19,271	39,304	427,828	486,807
Eliminated in respect of disposals	-	-	-	(1,337,104)	(1,337,104)
At 31 December 2020	647,797	151,419	476,496	960,572	2,236,284
Carrying amount					
At 31 December 2020	-	-	6,038	560,727	566,765
At 31 December 2019	404	19,271	45,342	1,999,952	2,064,969

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2020 £	2019 £
Motor vehicles	560,727	1,999,952

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	161,290	817,087
Corporation tax recoverable	-	37,365
Amounts owed by group undertakings	123,589	538,703
Other debtors	142,296	121,934
Prepayments and accrued income	68,354	441,838
	495,529	1,956,927

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	15	330,965	640,402
Trade creditors		1,237,311	1,503,613
Amounts owed to group undertakings		331,833	15,655
Taxation and social security		622,438	603,237
Other creditors		715,190	271,293
Accruals and deferred income		447,209	629,458
		<u>3,684,946</u>	<u>3,663,658</u>

Net obligations under hire purchase contracts are secured against specific fixed assets to which they relate.

14 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	15	<u>169,175</u>	<u>878,438</u>

Net obligations under hire purchase contracts are secured against specific fixed assets to which they relate.

15 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Less than one year	339,031	664,173
Between two and five years	172,106	888,920
	<u>511,137</u>	<u>1,553,093</u>
Less: future finance charges	(10,997)	(34,253)
	<u>500,140</u>	<u>1,518,840</u>

16 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>100,739</u>	<u>169,633</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £14,083 (2019: £27,683) were payable to the fund at the year end and are included in creditors.

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	92,000	92,000	92,000	92,000

The company has one class of ordinary shares which carry no right to fixed income.

18 Reserves

Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss net of distributions to owners.

Share premium account

The share premium reserve represents the consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased and still held at the end of the reporting period.

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	195,980	184,038
Between two and five years	21,420	713,153
In over five years	-	306,250
	<u>217,400</u>	<u>1,203,441</u>

20 Financial commitments, guarantees and contingent liabilities

The company is contingently liable in respect of a group VAT agreement with Carey Europe Limited and Embarque London Limited. At 31 December 2020 the group VAT liability was £451,431 (2019: £460,604).

On 23 November 2016 the parent company, Carey International Inc., negotiated a revolving credit facility with a maturity date of 23 November 2019. The revolving credit facility lender has extended this facility to 23 December 2019 in order to allow time for the lender and Carey International Incorporated to finalise terms for a new three year extension. Congruent with this extension, the term loan facility will also extend three years to a maturity date of May 2023. This facility is secured via a fixed and floating charge over the group's assets. These charges remain in place at the year end date and are expected to be satisfied in early 2021 as a result of the refinancing in Carey International Inc.

Barclays Bank PLC has a cross guarantee between Carey UK Limited and Carey England Limited.

CAREY ENGLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Related party transactions

Transactions with related parties who are also wholly owned subsidiaries of the ultimate controlling party have not been disclosed under Section 33.1a of FRS 102.

22 Ultimate controlling party

The immediate parent undertaking and controlling party is Carey UK Limited, a company incorporated in the United Kingdom, and a subsidiary of Carey International Inc, a company incorporated in the United States of America. Carey UK Limited is the smallest group for which consolidated accounts including the company are prepared. These consolidated accounts are available from the registered office which is 100 New Bridge Street, London, EC4V 6JA. Carey International Inc is the largest group for which consolidated accounts including the company are prepared. These consolidated accounts are available from the registered office which is 4530 Wisconsin Avenue, NW Washington, DC 20016, USA.

The ultimate parent undertaking and controlling party is Highland Capital Management LLP, a company incorporated in the United States of America.