Tuskerdirect Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

Registered number: 03864648

Tuskerdirect Limited

Annual report and financial statements
For the year ended 31 December 2020

Contents

Tuskerdirect Limited

Strategic report

The directors present their annual report on the affairs of Tuskerdirect Limited ('the Company'), together with the financial statements and auditor's report, for the year ended 31 December 2020.

Principal activities

The principal activities of Tuskerdirect Limited (Tusker) continue to be providing vehicle management, leasing and finance services, primarily through Employee Benefit Car Schemes to the public and private corporate sector.

Review of the business

With the global pandemic locking down the UK in 2020 the challenges for all businesses were immense causing dislocations to many sectors including vehicle fleet businesses. However, as a result of an increase in new launches and high demand for electric vehicles Tusker showed the resilience of their business model and ended the year with growth in nearly all performance indicators resulting in Earnings before interest, tax, depreciation and amortisation (EBITDA) increasing by £2.0m to £15.2m.

It was also a year of radical changes in the ways of working as overnight the business had to adapt to remote working for the entire workforce whilst ensuring that Tusker team members were supported and drivers remained safe, legal and mobile on the roads, particularly our key workers.

In 2020 turnover grew to over £215m (2019: £182m), a 18% growth year on year as a result of growing in-life revenue and strong remarketing with the second hand market performing well post lockdown. Cost of sales grew in line with turnover to £194m (2019: £161m) whilst overall Gross profit grew slightly to £21.5m (2019: £21.4m) due to a higher than forecast fleet size with more vehicles on extension.

The business continues to manage costs well with administrative expenses lower than the previous year by £1.3m totalling £13.9m and this is despite a higher year on year headcount (171 vs. 166) to support the increased numbers of drivers on fleet (see note 7).

As a result of the increased Gross profit and lower Administrative expenses, Operating profit before amortisation grew by £1.3m (+22%) to £7.6m (2019: £6.3m).

	2020 £'000	2019 £'000
Operating profit before amortisation to EBITDA		
Operating profit before amortisation of goodwill	7,654	6,254
Depreciation charged in year	7,556	6,940
EBITDA	15,210	13,194

The cash position at the end of the year was £16.1m which was higher than 2019 (£12.0m) due mainly to funding inflows from higher deliveries at the end of the year.

Strategic report (continued)

Section 172(1) statement

Section 172 of the Companies Act 2006 (the "Act") requires a Director of a company to act in a way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to:

(a) the likely consequences of any decision in the long term;

(b) the interest of the Company's employees;

(c) the need to foster the Company's business relationship with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between members of the company.

Due to the financial pressure and uncertainty faced during the early stages of the Covid-19 pandemic, it was necessary for the business to avail itself of the Government support offered by the CJRS and the deferral of VAT liabilities through to 2022. The business was not eligible under the CLBILS scheme to apply for government loans due to the nature of its capital structure.

Each Director gave careful consideration to the factors set out above in discharging his or her duty under section 172.

The following Section 172(1) statement is made on behalf of the Company in compliance with the Act.

Corporate Governance Arrangements

We operate with high ethical standards by conducting business activities in compliance with applicable legal and regulatory requirements, and with our Code of Business Conduct and Ethics. We are always working to maintain the governance practices that will ensure our stakeholders' ongoing confidence. This involves a continual review of how evolving legislation, guidelines and best practices should be reflected in our approach.

As part of this effort, all employees are mandated to complete various governance training seminars annually. For example, we have a zero-tolerance approach to bribery, including facilitation payments, and all employees are required to complete an in-depth anti-bribery and corruption (ABC) training seminar annually.

The Executive Directors report to the Board once a month to consider and discuss key strategic and operational decisions impacting the business.

The Residual Value committee is independently chaired by one of the company's non-executive Directors and meets regularly to review all residual value data, historic and current residual value performance and trends in addition to anything that may influence future performance.

Led by Tuskers Head of Legal and supported by the Compliance manager, Tusker ensures all areas of the business remains fully compliant in technology, data protection, GDPR and customer interactions – an even brighter light was focused on these areas in 2020 due to remote working. The Compliance manager also ensures the correct polices are kept up to date covering Fraud risk, Anti bribery and corruption and the Modern slavery act.

Business Strategy

Tusker remains committed to their 'Winning Together' business strategy to help the UK drive better, cleaner cars. To support this goal in 2020 the business joined The EV100, a global initiative bringing together forward-looking companies committed to accelerating the transition to electric vehicles, and Tusker pledged to have a fully electric fleet by 2030.

The Winning Together business strategy is underpinned by three pillars

i) Our customers - Offering a green car benefit with excellent customer care

ii) Our People - Continuing to develop a high performing team.

iii) Operational Effectiveness - Ensuring the business is efficient and effective every day.

Strategic report (continued)

The Winning Together strategy helps shape and define Tusker's culture and character by focusing on the FIRST values:

Forward Thinking,

Integrity

Respect

Smart Thinking

Teamwork

Employees are recruited and rewarded against these values; they guide how we behave and make decisions and are promoted and championed every day through employee engagement and communications.

Each employee is encouraged to live up to these values ensuring that the company maintains a reputation for high standards of business conduct fostering strong relationships with suppliers and customers and each other and that the company and all directors act fairly towards members of staff.

To further support these values the company also has a FIRST Team made up of employee participants who develop ideas to ensure further engagement from employees to live and breathe the values.

Tusker also highly values feedback from employees to ensure their interests and views are represented and conducts an annual employee engagement survey.

The three pillars:

i) Our customers

In helping the UK to drive a better car, Tusker continues to offer the car benefit schemes to more public and private sector businesses and in 2020 moved more drivers to Electric or ULEV vehicles than ever before – 50% of all orders in 2020 were fully electric and a further 25% were ultra-low emission vehicles. More investment was put into operations and customer service ensuring that Tusker continues to super-serve their drivers and customers.

ii) Our People

The 'Winning Together' People strategy was critical during the pandemic as the business transitioned to remote working; quickly standing up new technology safely and securely and enabling the whole business to work effectively at home whilst also ensuring that their health and wellbeing was supported with regular check-ins, online and webinar training and a Wellbeing Programme which listened to and surveyed team members as well as offering support and advice.

Support for individual performance development continued with enhanced personal development plans, half year and full year appraisals alongside regular 1-1's for every employee that Tusker develops and trains staff to the highest levels and provides them with a rewarding and challenging environment in which to work.

Tusker built further on its HR programme by investing more in their HR platform ensuring each team member and their managers are empowered to take control of their own HR administration with employee self-service.

iii) Operational Effectiveness

Covering operational excellence, supplier management and continuous improvement. Some of the highlights of 2020 include:

- Successful move to remote working whilst ensuring the business remained fully operations
- Optimising our insurance model further
- Introducing three new routes to market for remarketing
- Introduction of Customer FIRST training programme for all driver and customer facing roles to further enhance customer experience.
- Continuing to develop stronger partnerships with 3rd party partners to ensure we offer the best possible service and price to our drivers
- Following the FIRST values and Business Management system (BMS), the company maintains best practices with respect to our contracting partners and we conduct a risk assessment on the third parties with whom we do business.

Tuskerdirect Limited

Strategic report (continued)

Community and Environment

As part of their commitment to a greener Britain, Tusker remains a carbon neutral business, offsetting every ounce of carbon emitted through their vehicles: - 19,604 (2019: 32,294) tonnes in 2020, much lower than 2019 due to the increased number of Electric deliveries.

Tusker also respects and considers the local community regularly donating to homeless shelters and hospitals. The business continues to be recognised by a number of national and local award wins, including:

Global 100 - Excellence Award - Firm of the Year – UK, Corp Today Awards
Best for Turnkey Car Benefit Solutions 2020 – UK, Corp Today Awards
Best Workplace Car Scheme - 2020 - from M&A Today – Global Awards
Best Workplace Car Scheme in the 2020 Global Business Awards with Corp Today Magazine.

Future growth

Tusker is wholly committed to moving its growing fleet from 20% electric to 100% by 2030. The strategy to support this growth is an ongoing focus on the car benefit marketplace with support from Contract Hire and investing to continually improve customer service through the Customer First training programme, industry training, education and improved systems to ensure our drivers and customers receive the best possible experience.

The business will continue working with Employee Benefit Providers and supporting businesses to take the green car benefit scheme for their employees and explain the benefits of driving electric and ultra-low emission cars to more drivers.

With Tuskers excellent reputation in this field the business also plans to increase growth by offering white label solutions to other businesses enabling them to offer car benefit schemes to their B2B businesses.

Key Performance Indicators (KPIs)

The Board of directors use a number of KPIs to monitor business performance against plan including strategic EBITDA, eligible employees, orders, deliveries, margin, scheme penetration, renewal rate, and customer satisfaction. These are monitored and reported on a monthly basis but due to their sensitive nature the company does not publish the figures.

Principal risks and uncertainties

Key areas of risk for the company, as well as the entire fleet industry, lie in the credit worthiness of customers and residual value ('RV') risk when underwriting the value of the vehicles at the end of contract.

The company has entered into an arrangement with its funders so that the credit risk is passed to the relevant funder, on undisclosed agency funding deals at the inception of the lease and all credit risk for new business is underwritten by the company's funding partners. On back-to-back funding deals, Tusker takes the credit risk.

The company has always recognised the importance of sensible and accurate RV setting to help mitigate the risk, and has the following controls in place:

- Residual value and 'Service Maintenance and Repair' (SMR) data validation is outsourced to an independent industry recognised expert;
- A formal residual value steering committee that comprises in house operations, remarketing and finance expertise; and
- Specialist support in the form of an outsourced data feed provider and a disposal supplier.

The residual value committee is independently chaired by one of the company's non-executive Directors and meets regularly to review all residual value data, historic and current residual value performance and trends in addition to anything that may influence future performance. The committee constantly assesses the risk position and exposure and adjusts accordingly.

The 2017 Finance Act provided certainty for the future of salary sacrifice car schemes which are now approved by Government in a similar way to cycle to work schemes and child care vouchers. Whilst the group sees this as positive, future Government policy on taxation remains a risk, and the company continually develops its products and services to minimise the impact of any such risks.

Strategic report (continued)

The United Kingdom left the European Union on 31 January 2020 and since 1 January 2021 the UK's ongoing relationship with the EU is now governed by the EU Withdrawal Agreement and a Trade and Cooperation Agreement. The effects of these changes will be experienced over future periods, however, during 2020 trading remained strong and the business continued to work effectively with vehicle manufacturers. No significant negative impact has been experienced by the business since the year end and none is currently anticipated.

Future developments and events after the balance sheet date

The company has successfully weathered the impact of the Covid pandemic in 2020 and despite a third January lockdown it continues to trade profitably in the early months of 2021. The company therefore remains confident that if there were further lockdown measures in 2021 it would continue to trade and operate effectively.

Approved by the Board and signed on its behalf by:

DocuSigned by:

8C87F19855B743A

Paul Gilshan
Chief Executive Officer

Registered office:
Building 4, Hatters Lane
Croxley Green Business Park
Watford,
Hertfordshire
WD18 8YF

24 May 2021

Directors' report

The directors present their annual report on the affairs of the company and the audited financial statements for the year ended 31 December 2020.

Tuskerdirect is the trading company in the group which consolidates into Hamsard 3352 Limited.

Directors

The directors who held office during the year, and to the date of this report, were as follows:

Paul Gilshan (Chief Executive Officer)

Dianne Buchanan (Chief Financial Officer)

Simon English (Non-Executive Director)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year and which remain in force at the date of this report.

Future developments

Future developments and events after the balance sheet date have been discussed in the Strategic Report.

Going concern

The company is profitable, has net current assets of £41.9m (2019: £30.7m) and a cash balance at the end of the year of £16.1m (2019: £12.0m).

2020 was a challenging year due to Covid-19, however the management team took quick action to address the key risks and put plans in place to protect the business. The key risks identified over this period included the length of lockdown, the reopening of dealers, the impact of Covid-19 on the second hand card market and the associated performance impact of these factors upon compliance with banking covenants. Scenario planning, cash forecasting and collaboration with partners ensured that we navigated through the risks. Adaptive measures such as working with our funding panel to match the timing of balloon payments for vehicles coming to the end of contract with the reopening of auction houses when the vehicles can be resold and other such measures have been implemented. Furthermore, we stress tested our assumptions about the potential length of lockdown, the ramp up of dealers reopening and the effect on the second hand car market in order to predict when we expected the business to return to "normal" levels. The potential long term impact over the next 3 years has also been considered and we took the actions of amending and extending our bank facilities during a refinancing exercise in December 2020 in order to secure our facilities to 2025. As part of this exercise we have considered the impact of the stress tests upon our covenants and noted that, with the application of mitigating actions under the control of management, headroom resulted in all stress tested scenarios.

As referenced in the Strategic Report as a result of increased new launches and high demand for electric vehicles Tuskerdirect showed the resilience of its business model and ended the year with growth in nearly all performance indicators.

We therefore believe that the actions during this period and the performance of the business demonstrate our ability to continue as a viable going concern.

The directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this report, and therefore continue to adopt a going concern basis in preparing the financial statements.

Political contributions

The company made no political contributions during the year (2019: £nil).

Directors' report (continued)

Environmental matters

Energy and carbon reporting

We have reported on all sources of GHG emissions and energy usage as required under *The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008* as amended.

	2020
Tonnes of CO2e	
Emissions from combustion of fuel for transport purposes (Scope 1)	2
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2)	237
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	-
Total gross CO2e based on above	239
Tonnes of CO2e per £1 million of revenue	1.11

We have followed the 2019 UK Government environmental reporting guidance. We have used the GHG Protocol corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019 to calculate the above disclosures.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk, liquidity risk and residual value risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in interest rates. The group does not currently hedge its interest exposure.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has entered into an arrangement with its funders so that the credit risk is passed to the relevant funder, on undisclosed agency funding deals at the inception of the lease and all credit risk for new business is underwritten by the company's funding partners. On back to back funding deals, Tusker takes the credit risk.

The credit risk on liquid funds and is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance. Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

Residual Value (RV) risk

The company has a RV committee that meets quarterly which evaluates and monitors the company's RV position. The residual value committee is independently chaired by one of the company's non - executive directors and meets regularly to review all residual value data, historic and current residual value performance trends in addition to anything that may influence future performance. The committee constantly assesses the risk position and exposure and adjusts accordingly.

Directors' report (continued)

Dividends

The Directors do not recommend the payment of a dividend (2019: £nil).

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as auditor of the Group and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:
Dianne Buchanan
F3E052281174487...
Dianne Buchanan
Chief Financial Officer

24 May 2021

Registered Office:
Building 4
Hatters Lane
Croxley Green Business Park
Watford
Hertfordshire
United Kingdom
WD18 8YF

Tuskerdirect Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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 Tuskerdirect Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Tuskerdirect Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with 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 Financial Reporting Council's (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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditor's Report to the Members of Tuskerdirect Limited (continued)

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.

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Independent Auditor's Report to the Members of Tuskerdirect Limited (continued)

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it is described below:

- Completeness of revenue recognition from the sales of vehicles: We evaluated the design and implementation of the relevant control to ensure all revenue is recognised. We tested a sample of vehicles from which we would expect to have been sold in the year to determine whether revenue had been recognised.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence, if any, with HMRC.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.

Peter Saunders

Peter Saunders (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
24 May 2021

Statement of comprehensive income
For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	3	215,072	181,960
Cost of sales		(193,614)	(160,601)
Gross profit		21,458	21,359
Administrative expenses		(13,938)	(15,105)
Other operating income	4	84	-
Operating profit		7,604	6,254
Finance income			
Interest receivable and similar income	5	23	16
Profit before taxation	6	7,627	6,270
Tax on profit	9	(1,253)	(865)
Profit for the financial year and total comprehensive income		6,374	5,405

All income and expenditure derive from continuing operations.

There were no other recognised gains or losses for the current and preceding financial years other than as stated above.

The notes form part of these financial statements.

Tuskerdirect Limited

Statement of financial position
As at 31 December 2020

	Note	£'000	2020 £'000	£'000	2019 £'000
Fixed assets					
Tangible fixed assets (including motor vehicles)	10		43,746		36,776
Investments	19		-		-
Investments in residual values	11		108,630		73,197
			152,376		109,973
Current assets					
Stocks	12	7,810		6,547	
Debtors: amounts falling due within one year	13	99,123		81,673	
Cash at bank and in hand		16,074		12,042	
		123,007		100,262	
Creditors: amounts falling due within one year	14	(81,117)		(69,540)	
Net current assets			41,890		30,722
Total assets less current liabilities			194,266		140,695
Creditors: amounts falling due after more than one year	15		(147,461)		(100,618)
Provisions for liabilities and charges	16		(2,924)		(2,570)
Net assets			43,881		37,507
Capital and reserves					
Called-up share capital	17		557		557
Share premium account			6,375		6,375
Profit and loss account			36,949		30,575
Total shareholder's funds			43,881		37,507

These financial statements of Tuskerdirect Limited (registered number 03864648) were approved by the board of directors and authorised for issue on 24 May 2021.

They were signed on its behalf by:

DocuSigned by:
Dianne Buchanan
F3F05226117A487
Dianne Buchanan
Chief Financial Officer

The notes form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2020

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 31 December 2018	557	6,375	25,887	32,819
Total comprehensive income for the year	-	-	5,405	5,405
Intercompany loan repayment	-	-	(717)	(717)
At 31 December 2019	557	6,375	30,575	37,507
Total comprehensive income for the year	-	-	6,374	6,374
At 31 December 2020	557	6,375	36,949	43,881

Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Tuskerdirect Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office and principal place of business is Building 4, Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire, United Kingdom WD18 8YF.

The nature of the Company's operations and its principal activity are set out in the Strategic Report on page 3.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Tuskerdirect Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Tuskerdirect Limited has taken advantage of the disclosure exemptions under FRS 102 in relation to share-based payments, financial instruments, presentation of a cash flow statement, and remuneration of key management personnel. In addition, the company has not produced consolidated financial statements as permitted by s.400 of the Companies Act 2006 as the subsidiaries are consolidated in the financial statements of Hamsard 3352 Limited, the ultimate parent undertaking, which may be obtained from the Company Secretary, Hamsard 3352 Limited, Building 4, Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire, WD18 8YF.

Going concern

The company is profitable, has net current assets of £41.9m (2019: £30.7m) and a cash balance at the end of the year of £16.1m (2019: £12.0m).

2020 was a challenging year due to Covid-19, however the management team took quick action to address the key risks and put plans in place to protect the business. The key risks identified over this period included the length of lockdown, the reopening of dealers, the impact of Covid-19 on the second hand card market and the associated performance impact of these factors upon compliance with banking covenants. Scenario planning, cash forecasting and collaboration with partners ensured that we navigated through the risks. Adaptive measures such as working with the vehicle funding providers to match the timing of balloon payments for vehicles coming to the end of contract with the reopening of auction houses when the vehicles can be resold and other such measures have been implemented. Furthermore, the Directors have stress tested our assumptions about the potential length of lockdown, the ramp up of dealers reopening and the effect on the second hand car market in order to predict when we expected the business to return to "normal" levels. The potential long term impact over the next 3 years has also been considered and we took the actions of amending and extending our bank facilities during a refinancing exercise in December 2020 in order to secure our facilities to 2025. As part of this exercise the Directors have considered the impact of the stress tests upon our covenants and noted that, with the application of mitigating actions under the control of management, headroom resulted in all stress tested scenarios.

As referenced in the Strategic Report as a result of increased new launches and high demand for electric vehicles Tusker showed the resilience of their business model and ended the year with growth in nearly all performance indicators.

The Directors therefore consider that the actions during this period and the performance of the business demonstrate our ability to continue as a viable going concern.

The directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of this report, and therefore continue to adopt a going concern basis in preparing the financial statements.

1. **Accounting policies (continued)**

Investments in residuals

Investments in residuals is stated at the residual value placed at the time the vehicle is funded. The portfolio of vehicles is reviewed on a periodic basis on a portfolio level and any impairment in value recognised on the portfolio at that stage. Any surplus is not recognised.

The investment in residual balance at the year end is classified between fixed assets and current assets (note 11). Vehicles which are due to terminate outside the next 12 months from the period end date are fixed assets with anything within the year being current.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the financial statements (continued)
For the year ended 31 December 2020

1. **Accounting policies (continued)**

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers (recognised over the course of the lease), the sale of the vehicles to the funders (recognised at point of sale), the disposal proceeds of the residual interest in vehicles (recognised at the point of sale), and maintenance income (a proportion of which is recognised over the course of the lease, with the remainder recognised on termination). Commissions received from financing partners, suppliers and insurers is recognised in equal instalments over the life of the agreement to which it relates.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets on a straight-line basis over their estimated useful economic lives as follows:

Office equipment	- 3 years
IT and computer software	- 3 years
Enterprise software	- 10 years
Leasehold improvements per note 10	- 3 years

Motor vehicles (finance leased and self funded vehicles) - over the life of the lease agreement

Fixed assets are held at cost less accumulated depreciation.

Determining the residual vehicle of motor vehicles is detailed in note 2.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

Tuskerdirect Limited

Notes to the financial statements (continued)
For the year ended 31 December 2020

1. **Accounting policies (continued)**

Financial instruments (continued)

( ) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(a) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(b) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

( ) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

(ii) Investments

In the company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Stock

Stock is stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Stock comprises of vehicles formerly on lease and hire contracts awaiting disposal, as well as vehicles on short term hire after the end of their primary lease term.

Leases

Operating leases are those leases where substantially all the risks and rewards of ownership are not passed to the lessee. The company provides assets under operating leases to its customers, as the agent of a provider of lease finance. Where the company retains only an interest in the residual value of the asset, this is presented as an investment in residual values. Commission income received from the provider of finance and the car manufacturer is recognised as turnover in a straight line over the life of the agreement to which it relates.

Where these assets have reached the end of their primary term and been extended to its customers and the company has settled the liability with the funder the assets are depreciated over a further period and are considered to be short term hire current assets or included into stock.

Where the company leases its own assets, these are recognised as fixed assets in the "Financed leased vehicles" category and depreciated over the lease term.

The corresponding loan liability is included in "Amounts payable in vehicle residuals" in notes 14 and 15.

Grant income

Income received under government grants is recognised in the period to match the associated expenditure and classified as other operating income. Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit and loss in the period in which they become receivable.

Tuskerdirect Limited

Notes to the financial statements (continued)
For the year ended 31 December 2020

1. Accounting policies (continued)

Pension costs
The Company operates a defined contribution pension scheme for the benefit of its employees. The amount charged to the profit and loss account in respect of pension costs and other retirement benefits 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 in the balance sheet.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The directors consider there are no critical accounting judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are discussed below.

Provisions

The company makes estimates for costs associated with early termination and maintenance costs and accounts for these as provisions. All owned and leased cars carry an obligation to cover maintenance costs arising from fair use on those vehicles, for which management estimate an associated cost. A contingency protection is also offered to drivers, whereby under certain conditions an employer will not be charged an early termination charge for return of the vehicle and management estimate a cost to preserve against losses that may be incurred on future early terminations. By their nature, both of these amounts require estimation and refinement to calculate. Whilst a range of outcomes is reasonably possible, the extent of this range is from additional liabilities of up to £0.7m to a reduction in liabilities of up to £0.7m.

3. Turnover

The turnover and profit before taxation are wholly attributable to the principal activity of the company and arise solely within the United Kingdom. Turnover can be analysed as follows:

	2020 £'000	2019 £'000
Turnover:		
Sale of goods	167,218	132,088
Rendering of services	47,854	49,872
	215,072	181,960

0. Other operating income

In 2020, the UK government put in place the Coronavirus Job Retention Scheme to support the UK economy and employment. The company applied for this and amounts received from this grant are disclosed in other income within the statement of comprehensive income.

Notes to the financial statements (continued)
For the year ended 31 December 2020

5. Finance income

	2020 £'000	2019 £'000
Interest receivable and similar income:		
Interest earned on cash deposits	23	16

6. Profit before taxation

Profit before taxation is stated after charging:

	2020 £'000	2019 £'000
Depreciation and other amounts written off owned tangible fixed assets:		
Within administration expenses	369	679
Within costs of sales	7,187	6,261
Hire of other assets – offices provided under operating leases	731	737

The analysis of the auditor's remuneration is as follows:

	2020 £'000	2019 £'000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	106	80

There were no non-audit services payable to the company's auditor in either period.

Notes to the financial statements (continued)
For the year ended 31 December 2020

7. Staff numbers and costs

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

	2020 No.	2019 No.
Sales and administration	171	160

The aggregate payroll costs of these persons were as follows:

	2020 £'000	2019 £'000
Wages and salaries	7,220	6,353
Pension costs	128	165
Social security costs	1,056	730
	8,404	7,248

8 Directors' remuneration and transactions

	2020 £'000	2019 £'000
Directors' remuneration:		
Directors' emoluments	802	666
Company contributions for money purchase pension schemes	12	13
Compensation for loss of office	-	30
	814	709

	2020 £'000	2019 £'000
Remuneration of the highest paid director:		
Director's emoluments	419	296
Company contributions for money purchase schemes	6	5
	425	301

In both 2020 and 2019, the directors' emoluments were borne by other group companies.

2 (2019: 2) directors were accruing pension benefits.

9. **Tax on profit**

The tax charge is based on the profit for the year and comprises:

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the year	1,155	692
Adjustment in respect of prior years	510	57
Total current tax	1,665	749
Deferred tax		
Origination and reversal of timing differences	(82)	65
Adjustment in respect of prior years	(330)	51
Total deferred tax	(412)	116
Total tax charge on profit for the year	1,253	865

The deferred tax liability as at 31 December 2020 has been calculated using the rates substantively enacted for the expected periods of utilisation of 19% (2019 - 17%). Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 December 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2020 £'000	2019 £'000
Profit before tax	7,627	6,270
Tax on profit at the standard tax rate of corporation tax of 19% (2019 – 19%)	1,449	1,191
Effects of:		
Expenses not deductible for tax purposes	31	81
Effects of group relief	(442)	(468)
Income not taxable in determining taxable profit	(7)	(39)
Adjustments from prior periods	179	108
Tax rate changes	43	(8)
Total tax charge on results for the year	1,253	865

Notes to the financial statements (continued)
For the year ended 31 December 2020

10. **Tangible fixed assets**

	Finance leased vehicles £'000	Self funded vehicles £'000	Office equipment £'000	IT and computer equipment £'000	Leasehold improvements £'000	Total £'000
Cost						
At 1 January 2020	43,509	1	606	4,210	784	49,110
Additions	21,612		1	835	8	22,456
Disposals	(12,831)	(39)	-	-	-	(12,870)
Stock adjustment	(259)	38	-	-	-	(221)
At 31 December 2020	52,031	-	607	5,045	792	58,475
Depreciation						
At 1 January 2020	8,625	-	590	2,388	731	12,334
Charge for the year	7,174	13	16	306	47	7,556
Disposals	(4,951)	(39)	-	-	-	(4,990)
Stock adjustment	(197)	26	-	-	-	(171)
At 31 December 2020	10,651	-	606	2,694	778	14,729
Net book value						
At 31 December 2020	41,380	-	1	2,351	14	43,746
At 31 December 2019	34,884	1	16	1,822	53	36,776

Liabilities due on Finance leased vehicles are included in note 14 and 15, within 'Amounts payable in vehicle residuals'.

Stock adjustments are made for leased vehicles that are in extension or awaiting sale.

11. **Investments in residual**

	2020 £'000	2019 £'000
At the beginning of the year	105,992	106,498
Additions	68,469	37,465
Disposals	(36,700)	(37,971)
At the end of the year	137,761	105,992

	2020 £'000	2019 £'000
Split of ageing on the investment in residual values is as follows:		
Due in less than one year (note 13)	29,131	32,795
Due in more than one year	108,630	73,197
Total	137,761	105,992

Notes to the financial statements (continued)
For the year ended 31 December 2020

12. **Stocks**

	2020 £'000	2019 £'000
Goods for resale	1,850	2,083
Vehicles on short term extension	5,960	4,464
	7,810	6,547

13. **Debtors**

	2020 £'000	2019 £'000
Amounts falling due with one year:		
Investments in residual values	29,131	32,795
Trade debtors	16,928	9,975
Other taxation	-	89
Amounts owed by group undertakings	44,690	31,883
Prepayments and accrued income	8,374	6,931
	99,123	81,673

Amounts owed by group undertaking are unsecured, interest free and repayable on demand.

14 **Creditors: Amounts falling due within one year**

	2020 £'000	2019 £'000 Represented
Trade creditors	31,916	21,449
Taxation and social security	2,499	123
Corporation tax	1,505	535
Amounts payable in vehicle residuals	35,757	42,680
Accruals and deferred income	9,440	4,753
	81,117	69,540

During the year, a change of presentation between "accruals and deferred income" has been made to show all amounts due to providers of vehicle funding in the same category, in "amounts payable in vehicle residuals". The amount reclassified in the prior year from "accruals and deferred income" to "amounts payable in vehicle residuals" to following this policy was £4,421,000.

15 **Creditors: Amounts falling due after more than one year**

	2020 £'000	2019 £'000
Amounts payable in vehicle residuals	147,461	100,618

No items included in creditors falling due after more than one year are due more than five years from the balance sheet date.

The company has granted a fixed and floating charge to the providers of financing facilities as security for monies advanced under their agency agreement.

As at the balance sheet date a £1m letter of credit remains in place (2019: £1m) for an insurance provider against any potential default, this is held as a carve out of the RCF facility.

Notes to the financial statements (continued)
For the year ended 31 December 2020

16. Provision for liabilities and charges

	Deferred taxation £'000	Fleet provisions £'000	Total £'000
At 1 January 2020	698	1,872	2,570
Utilisation of provision	-	(6,848)	(6,848)
Charged/(released) to profit and loss	(82)	7,614	7,532
Adjustment in respect of prior years	(330)	-	(330)
At 31 December 2020	286	2,638	2,924

Fleet provisions are an estimate of the future liability that the company will incur as a result of its obligations to provide maintenance and repair services to vehicles whilst in its fleet and its obligation to settle funder liabilities on early termination of vehicle contracts.

Deferred taxation	2020 £'000	2019 £'000
Deferred tax is provided as follows:		
Fixed asset timing differences	289	657
Other timing differences	(3)	41
Deferred tax liability	286	698

The deferred tax liability as at 31 December 2020 has been calculated using the rates substantively enacted for the expected periods of utilisation of 19% (2019 - 17%). The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended 25% rate the impact on the closing DT position would be to increase the deferred tax liability by £0.1m.

17. Called-up share capital

	2020 £'000	2019 £'000
Authorised		
55,716,464 Ordinary shares of £0.01 each (2019: 55,716,464)	557	557
Allotted, called up and fully-paid		
55,716,464 ordinary shares of £0.01 each (2019: 55,716,464)	557	557

There is one class of ordinary shares and the shares have full voting, dividend and capital distribution rights. The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

Notes to the financial statements (continued)
For the year ended 31 December 2020

18. Financial commitments

The company's total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2020	2019
	£'000	£'000
Within one year	545	469
Between two and five years	545	1,090
	1,090	1,559

19. Investments

The company holds 100% of the ordinary share capital of Landau Finance Limited, a dormant company registered in the United Kingdom. The registered office address for Landau Finance Limited is Building 4, Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire, WD18 8YF.

The investment is fully written down so has a carrying value of £nil (2019: £nil).

Subsidiary undertakings have not been consolidated by Tuskerdirect Limited as permitted by s.400 of the Companies Act 2006, as they are consolidated in the financial statements of Hamsard 3352 Limited, the ultimate parent undertaking. The registered office address of Hamsard 3352 Limited is Building 4, Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire, WD18 8YF.

20. Post balance sheet events

There are no events subsequent to the year end requiring disclosure. Details of future prospects are contained in the Strategic Report and Director's Report.

21. Related party transactions

The company has taken advantage of the exemption available under FRS 102 not to disclose transactions with other members of the Hamsard 3352 Limited group.

There were no other related party transactions during the year.

22. Ultimate parent undertaking

The immediate parent undertaking is Hamsard 3353 Limited and the ultimate parent undertaking is Hamsard 3352 Limited. Both companies are incorporated in the United Kingdom.

The only group of undertakings for which group financial statements have been drawn up is Hamsard 3352 Limited. Copies of the group financial statements are filed with Companies House and can be obtained from the registered office at Building 4, Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire, WD18 8YF.

The ultimate controlling party is considered to be ECI Partners LLP acting in its capacity as manager of ECI 10A LP and ECI 10B LP.