

Registered number: 02879877

# Brunel Carriage Limited

Annual report and financial statements  
for the year ended 31 December 2019

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# Brunel Carriage Limited

## Annual report and financial statements for the year ended 31 December 2019

	Page
Directors and advisors.....	1
Strategic report.....	2
Directors' report.....	6
Independent auditors' report.....	9
Statement of comprehensive income.....	11
Statement of financial position.....	12
Statement of changes in equity.....	13
Notes to the financial statements.....	14

# **Brunel Carriage Limited**

## **Directors and advisors**

### **Directors**

G Smith  
R Shaw  
S Owens

### **Independent auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

### **Bankers**

Barclays Bank PLC  
Churchill Place  
Canary Wharf  
London  
E14 5RB

### **Registered office**

James House  
Welford Road  
Leicester  
Leicestershire  
LE2 7AR

# **Brunel Carriage Limited**

## **Strategic report**

The directors present their strategic report on the company for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the company, registered number 02879877, is that of the hire of chauffeur driven vehicles and the operation of a fleet of private hire vehicles ("PHV").

### **Review of the business**

The loss for the financial year amounted to £9,083,000 (2018: loss of £1,675,000).

2019 was a very positive year in terms of securing new revenue and business opportunities, however as a company we have continued to face many challenges where aggressive aggregators have come into the ride hailing space and secured the driver force with very lucrative pay deals. As a direct result we have had to increase our own driver deals to ensure that we maintained the driver workforce and continued to provide service to our customer base.

In line with the Group's long term strategy for growth acceleration for both ride hailing and PHV has meant that we have had to invest very heavily to build the foundations for growth. In addition, securing vehicles, parking spaces and staff to grow PHV and matching that to demand has been very challenging.

Despite the significant short term impacts of Covid-19 on the business, the directors have a positive view of the company's future trading prospects in the longer term.

The audited financial statements for the year ended 31 December 2019 are set out on pages 11 to 32.

### **Future Developments**

In 2020, the environment will remain very complex due to the current health impact and the slow lifting of government restrictions as a result of Covid-19 with resulting macro uncertainties in Europe and the implications of the UK's transition to a new trading arrangement with the EU.

In this regard, we are closely monitoring the evolution of the outbreak situation in our industry and in our company, both from an employees and business perspective. Our Group, as a mobility service provider, has a 70-year tradition of service to the public and to local and international companies. Throughout this current unprecedented period, we will do everything in our power to continue this mission, with safety and flexibility.

As a company we will continue to invest in technology, bilateral relationships and infrastructure to ensure revenue growth for both ride hailing and PHV rentals to enable top line growth and a return to profit.

### **Financial risk management and principal risks**

Risk mitigation is a key part of the management of the company and we have a consistent process to identify, manage and help mitigate exposure to issues that may have a negative impact on the business. A framework exists for enhanced group reporting on risks and litigations which aims at identifying situations that may cause significant damage to the performance or to the reputation of the reporting company.

The management of the business and the execution of the company's strategy are subject to a number of risks which are summarized below.

## Brunel Carriage Limited

### Strategic report (continued)

#### Financial risk management and principal risks (continued)

##### *Demand*

The company faces various risks associated with demand for its services, such as reduced tourist or business travel for a number of reasons including natural disasters, the constraints of economic recessionary factors or in the current case, a major health pandemic. However with advanced revenue management processes and systems the company maintains a dynamic business model allowing resources to flex in line with changes in demand.

##### *Fleet*

Availability and supply of fleet could harm the performance of the company however the group's strong working relationships with motor manufacturers and forward planning help to mitigate most risks involved.

##### *Management Team*

The ability to retain key members of the management team continues to be a key concern of the business. Given the wider industry volatility and disruption, the maintenance of key staff experienced in the sector continues to be of high priority.

##### *Climate change*

Brunel is committed to protecting the environment, and to this end we have decided to address the carbon emissions that are being produced as a result of the services we carry out on behalf of our clients around the world.

We are currently in discussions to enlist the help of The Carbon Neutral Company to 'neutralise' our Carbon footprint. Along with this we are currently in talks to partner with Toyota in a deal that will further reduce our CO2 Emissions and provide London's greener alternative.

Using complex mathematical formula and data such as vehicle types, regional percentages of work carried out, mileage, fuel types and other information, CarbonNeutral will assess the size of the Carbon footprint that Brunel leaves on the planet and will advise us on how best we can erase that footprint in a sustainable manner.

Once this process is complete the carbon emissions created by the 250,000 services around the world that Brunel performs annually will be offset, and we will continue to monitor and adjust our investment according to the levels of business our clients produce to ensure we remain 'Carbon Neutral'.

##### *Expansion of Industries Serviced*

Brunel continues to expand its portfolio of customers and is constantly seeking new opportunities in wider markets. This approach seeks to negate the effects of down trading in specific sectors by leveraging its customer base. Traditionally servicing corporate banking and Law sectors within inner city business districts, the business is now focusing on extending their portfolio, focusing on Travel, insurance, and broker markets.

## Strategic report (continued)

### Financial risk management and principal risks (continued)

#### *Cyber Security and data protection*

The company's responsibility is to protect the confidentiality, integrity and availability of customer, supplier and employee data processed as part of its operations.

The company ensures that the personal data we obtain from our customers is used lawfully and appropriately and that an individual's rights are adequately protected. Our processing and use of personal data is governed by the Data Protection Act 2018 ("DPA") and any associated legislation.

There are serious consequences for our business where we fail to comply with this legislation – including significant fines and loss of customer confidence.

All staff receive mandatory data protection training and the company has implemented a series of measures to raise awareness of data protection compliance across the business. Staff are advised that if contacted by someone who wants to exercise their rights under the data protection legislation, to act promptly, follow the business process for managing such requests and speak to their line manager if in doubt. As soon as made aware of or suspect a possible breach of data protection legislation, this is escalated within the business using agreed forms and any required action managed by the legal department.

The company's objective is to ensure appropriate levels of security controls are in place, avoiding negative impacts on key stakeholders, associated reputational damage and potential for financial implications. Group IT have procedures in place to identify data breaches and manage any incidents. The Group has insurance coverage against these risks.

#### *IT & Infrastructure Management*

Continued investment in IT and the ability to keep pace with industry competition, through constantly scoping and delivering core pipeline IT developments is a key part of the business. Enhancing our existing relationships with suppliers continues to be a priority in managing the risk of falling behind the competition.

#### *Brexit*

The demand for our products and services could be affected by a downturn in economic activity as a result of the UK decision to leave the EU. The trading terms from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy. The full impact of the withdrawal may only be realised in years to come, as the economy adjusts to the new regime, but the company continues to monitor the most relevant risks, including those that may have a more immediate impact, for its business.

## Strategic report (continued)

### Financial risk management and principal risks (continued)

#### *Coronavirus -Covid-19 pandemic*

The World Health Organization declared COVID-19 a pandemic on 11 March 2020. In the face of uncertainty and despite the legitimate emotion that the evolution of the situation can generate, the company remains focused on what we can manage: our number one priority being the protection of our employees, our customers and our business. And as Covid-19 expanded and our activities were restricted, we have been adapting our decisions and actions to meet the situation; we continue to monitor the situation in real time and do our utmost to adapt to this unprecedented crisis.

At a moment when the world is in uncertain times, with national authorities taking extraordinary measures to contain the Covid-19 pandemic, disrupting the daily lives of our societies, we see ourselves as a provider of an essential service: contributing to the safe mobility of people.

The directors are in close contact with the Group Management Board, who provide them with guidance at a global level to be adapted locally in order to meet local requirements. They are monitoring the situation, with the full trust and support of the Management Board to combine both global consistency and the evolving individual country regulations.

The Department for Transport has confirmed that taxi and private hire drivers could continue working during the Coronavirus lock-down and the company has ensured it has followed all available Government guidance to continue operations. The directors are monitoring the situation in real time and doing their utmost to adapt to this unprecedented crisis.

#### **Key performance indicators**

The company's performance is closely monitored by its parent company and Europcar Mobility Group S.A through monthly management reporting. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary. Further information on the Europcar business, market/operational overview and key performance indicators will be available in the annual report of Europcar Mobility Group S.A which does not form part of this report.

On behalf of the Board



S Owens  
Director

30 July 2020

## **Brunel Carriage Limited**

### **Directors' report**

The directors present their report and the audited financial statements for the year ended 31 December 2019.

The review of the business future developments, financial risk management and principle risks are included within the strategic report.

#### **Dividends**

Dividends of £nil (2018: £nil) were declared and settled during the year. The directors do not recommend a final dividend (2018: £nil).

#### **Directors**

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

A J Edwards (resigned 8 October 2019)

R Shaw

G Smith

S Owens

#### **Qualifying third-party indemnity provisions**

The company had qualifying third-party indemnity provisions in place during the year and up to the date of signing these financial statements for the directors of the company.

#### **Going concern**

The global Covid-19 pandemic has had a severe impact on the company's operations, resulting in a significant downturn in revenues and cash flows. Management have taken a number of actions to reduce costs and defer payments, taking advantage of government support and payment deferral schemes as appropriate. The ultimate United Kingdom parent company of the Company, Europcar UK Limited received an equity injection of £10 million in June 2020 from its parent to bolster its liquidity.

The company has net current liabilities however the ultimate United Kingdom parent company of Brunel Carriage Limited, Europcar UK Limited, has committed to provide financial and operational support to Brunel Carriage Limited to enable it, in the normal course of business, to meet its liabilities as they fall due and carry on its business without curtailment for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

The outlook, however, remains uncertain and, should the business not recover in line with expectations or there is a second national lockdown, management believes that the UK Group may need to secure further funding to meet certain required payments in the first quarter of 2021. The company has received a letter from its ultimate parent company, Europcar Mobility Group SA, confirming that the parent will use its best efforts to provide the necessary support. This letter, however, does not place a legal obligation on the parent to provide this support and, in the current uncertain environment, the availability of that support cannot be assured. These circumstances indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern. The financial statements do not include any adjustments that might arise should the company cease to be a going concern.

#### **Political and charitable contributions**

Charitable donations totalling £nil (2018: £nil) were made during the year. No political donations were made during this or the previous year.



## **Directors' report (continued)**

### **Employees**

Our company ensures two way communication by having management briefings. These briefings are presented by our directors to the management team, who then cascade the information presented via team meetings. Any feedback from these meetings is co-ordinated by our internal communications team and any questions raised are responded to accordingly. We also ensure information is provided to our team through our intranet.

Our team is encouraged to share feedback. In addition the sharing of feedback is consolidated and reviewed in monthly management meetings to ensure the direction of the management team and personnel are aligned.

Our company is also fully committed to equal opportunities. Specifically we are committed to making reasonable adjustments to ensure the fair consideration of applications from disabled people. This commitment extends throughout employment in relation to training and development, as well as making any reasonable adjustment to enable the completion of any work. This commitment also applies should any employee have a disability whilst they are part of the company.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless the directors 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors 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.

## Brunel Carriage Limited

### Directors' report (continued)

#### Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

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

#### Independent auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with the Companies Act 2006. Therefore, the independent auditors, PricewaterhouseCoopers LLP, will be deemed to be reappointed for each succeeding financial year.

On behalf of the Board



S Owens  
Director

30 July 2020

# ***Independent auditors' report to the members of Brunel Carriage Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Brunel Carriage Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. Should the company's operations not recover in line with expectations, or if there is a second national lockdown, the company will be reliant on a non-binding letter of support from its ultimate parent, Europcar Mobility Group SA, in order to meet payments as they fall due, and this letter is not legally enforceable. In the event that support is not provided by the ultimate parent company, alternative funding will be required to enable the company to continue as a going concern. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included. Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## *Independent auditors' report to the members of Brunel Carriage Limited (continued)*

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Robert Girdlestone (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

30 July 2020

## Brunel Carriage Limited

### Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Revenue	3	18,086	15,257
Cost of sales		(20,633)	(13,320)
Gross (loss)/profit		(2,547)	1,937
Exceptional administrative expenses	4	(2,163)	-
Other administrative expenses		(4,203)	(3,537)
Administrative expenses		(6,366)	(3,537)
Operating loss before exceptional administrative expenses	4	(6,750)	(1,600)
Operating loss	4	(8,913)	(1,600)
Other financial expenses	7	(170)	(16)
Loss on ordinary activities before taxation and exceptional administrative expenses		(6,920)	(1,616)
Loss on ordinary activities before taxation		(9,083)	(1,616)
Tax on loss on ordinary activities	8	-	(59)
Loss for the financial year		(9,083)	(1,675)
Other comprehensive income for the year		-	-
Total comprehensive expense for the year		(9,083)	(1,675)

The accompanying notes form an integral part of these financial statements. The results for the year arise solely from continuing operations.

# Brunel Carriage Limited

## Statement of financial position as at 31 December 2019

	Note	2019	2018
		£000	£000
<b>Fixed assets</b>			
Property, plant and equipment	9	268	356
Right-of-use-assets	10	403	-
		671	356
<b>Current assets</b>			
Trade and other receivables	11	4,037	2,840
Cash at bank and in hand		4,245	1,014
		8,282	3,854
Creditors: amounts falling due within one year	12	(19,665)	(6,197)
<b>Net current liabilities</b>		<b>(11,383)</b>	<b>(2,343)</b>
<b>Total assets less current liabilities</b>		<b>(10,712)</b>	<b>(1,987)</b>
Creditors: amounts falling due after more one year	13	(358)	-
<b>Net liabilities</b>		<b>(11,070)</b>	<b>(1,987)</b>
<b>Equity</b>			
Called up share capital	15	50	50
Accumulated losses		(11,120)	(2,037)
<b>Total equity</b>		<b>(11,070)</b>	<b>(1,987)</b>

The financial statements on pages 11 to 32 were approved by the board of directors on 30 July 2020 and signed on its behalf by:



S Owens  
Director

Company registered number: 02879877

The accompanying notes form an integral part of these financial statements.

## Brunel Carriage Limited

### Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £000	Accumulated losses £000	Total equity £000
Balance as at 1 January 2018	50	(362)	(312)
Loss for the financial year and total comprehensive expense	-	(1,675)	(1,675)
Balance as at 31 December 2018	50	(2,037)	(1,987)
Loss for the financial year and total comprehensive expense	-	(9,083)	(9,083)
Balance as at 31 December 2019	50	(11,120)	(11,070)

\*There was no impact on the company's retained earnings as at 1 January 2019 from adopting IFRS16 as the company has used the modified retrospective approach without restatement of the previous year (see note 20).

## Brunel Carriage Limited

### Notes to the financial statements

#### 1. Summary of significant accounting policies

Brunel Carriage Limited is a private limited company and is incorporated and domiciled in England and Wales in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out on page 2.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006. The presentation currency used is sterling and amounts have been presented in round thousands ("£000s").

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Europcar Mobility Group S.A.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Europcar Mobility Group S.A. These financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Impairment of assets.

The financial statements of Europcar Mobility Group S.A. can be obtained as described in note 19.



## **Brunel Carriage Limited**

### **Notes to the financial statements (continued)**

#### **1. Summary of significant accounting policies (continued)**

##### **Going concern**

The company has net current liabilities however the ultimate United Kingdom parent company of Brunel Carriage Limited, Europcar UK Limited, has committed to provide financial and operational support to Brunel Carriage Limited to enable it, in the normal course of business, to meet its liabilities as they fall due and carry on business without curtailment for the foreseeable future. Accordingly, the directors continue to believe that adopting the going concern basis of preparation for the financial statements remains appropriate.

The global Covid-19 pandemic has had a further severe impact on the company's operations, resulting in a significant downturn in revenues and cashflows. Management have taken a number of actions to reduce costs and defer payments, taking advantage of government support and payment deferral schemes as appropriate. The ultimate United Kingdom parent company of Europcar Group UK Limited, Europcar UK Limited received an equity injection of £10 million in June 2020 from its parent to bolster its liquidity.

The outlook, however, remains uncertain and, should the business not recover in line with expectations or there is a second national lockdown, management believes they may need to secure further funding to meet certain required payments in the first quarter of 2021. The company has received a letter from its ultimate parent company, Europcar Mobility Group SA, confirming that the parent will use its best efforts to provide the necessary support. This letter, however, does not place a legal obligation on the parent to provide this support and, in the current uncertain environment, the availability of that support cannot be assured. These circumstances indicate the existence of a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern. The financial statements do not include any adjustments that might arise should the company cease to be a going concern.

##### **New standards, amendments and IFRIC interpretations**

###### **IFRS 16 "Leases"**

As of 1 January 2019, the company applies IFRS 16 "Leases". Previously, according to IAS 17, there was a distinction between operational leases and finance leases and the accounting treatment depended on this classification. Pursuant to IFRS 16 all the leases are recorded on the company balance sheet with a fixed asset representing the right of use equal to the amount of the lease obligations for the leased item for the lease term and a lease liability representing the obligation to make rental payments. The right of use is amortized over the life term of the contract and the initial liability equals the discounted payments required under the lease.

On 1 January 2019, the company decided to apply the modified retrospective approach which consists of recognising an asset for the right of use equal to the amount of the lease obligations. On adopting the standard there was no adjustment to opening equity and the comparative amounts presented in the Income Statement and Statement of Financial Position. Further information is presented in note 20.

The lease of the company relates to the real estate contract for the head office location in which the company operates. The right of use and the lease liability include the fixed rents to be paid to the lessor and other variables amounts if and only if they are based on an index (e.g. real estate).

The discount rate applied to real estate contracts are based on the incremental borrowing rate to which is added a spread to take account of country-specific economic environment. The average discount rate for real estate contracts is 4.75% at transition date.

## Brunel Carriage Limited

### Notes to the financial statements (continued)

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

##### IFRS 16 "Leases" (continued)

The lease term corresponds to the non-cancellable period of the lease agreement unless the company is reasonably certain to exercise an option to extend a lease.

The company has chosen to apply the following simplification measure: rents on real estate and equipment contracts corresponding to an asset with a low unit value or a short-term lease (less than 12 months) are recognised directly as expenses and are consequently not within the scope of IFRS16.

The following main contracts have not been registered in the balance sheet of the company:

- Contracts covered by the exemptions above;
- Contracts considered as service contracts for which the rent expense is recognised directly as an operating expense in the profit and loss statement;

##### Property, plant and equipment and depreciation

Property, plant and equipment are shown at cost less any rebates received and net of any depreciation and provisions for impairment. The benefit of rebates is spread evenly over the estimated useful life of each asset.

Property, plant and equipment, depreciation is provided to write off the cost less the estimated residual value by equal instalments over their estimated useful economic lives as follows:

Fleet vehicles - owned	-	25% on reducing balance
Fleet vehicles – hire purchase	-	Shorter of the useful economic life and lease term
Computer Equipment	-	25% on cost
Plant and machinery, fixtures and fittings	-	15% on reducing balance

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Operating income' in the statement of comprehensive income.

##### Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

## **Brunel Carriage Limited**

### Notes to the financial statements (continued)

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

##### **Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases (lessee accounting). Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

The related liability, being either finance lease liability or amounts drawn down under finance facilities to fund vehicles under buyback arrangements, is included within creditors as "obligations under finance lease and hire purchase contracts". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The IFRS16 implementation has changed the accounting treatment of operating leases, explained in "Detailed new standards, amendments and IFRIC interpretations" earlier in Note 1.

##### **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

##### **Provisions**

A provision is recognised in the statement of financial position when a present legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The impact of discounting provisions is recognized as an interest expense.

## **Brunel Carriage Limited**

### Notes to the financial statements (continued)

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

##### **Foreign currencies**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

##### **Trade and other receivables**

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

##### **Employee benefits**

The company operates a defined contribution pension scheme.

##### *Pension obligations*

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### **Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **Revenue**

Revenue, which excludes value added tax, constitutes the value of services undertaken by the company from its principal activities, which are the provision of hire of chauffeur driven vehicles and the operation of a fleet of private hire vehicles. Revenue also includes rental fees from chauffeur drivers for the provision of vehicles by the company to them. Revenue is recognised when the service has been provided.

##### **Financial guarantees**

Financial guarantees are initially recognised at fair value and are subsequently measured at the higher of (a) the amount determined in accordance with IAS 37 and (b) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18.

## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 1. Critical accounting estimates and judgements

*Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### 2.1 Critical accounting estimates and assumptions

##### *Useful economic lives of property, plant and equipment*

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

##### *Fleet*

Given the nature of the company's business, one of the main assets in the statement of financial position is the vehicle fleet, a proportion of which has no guaranteed residual value and therefore the value at the end of the rental life will depend on the market for those vehicles at the time of disposal. Judgement is therefore required in the estimation of residual values, with reference made to recent disposal experience, and external market data.

##### *Trade and other receivables*

The recoverability of trade and other receivables balances are regularly assessed. Where there is evidence that it will not be possible to collect all amounts outstanding, a provision for impairment is recognised. The company utilises previous customer history, debtor ageing profiles and other relevant information in assessing the level of provision required.

The company has a receivable of £1m with an unrelated company, as at the date of signing these financial statements, the directors were in discussion with the debtor about settlement of the receivable. Based on their judgement, the directors expect the receivable to be settled on conclusion of discussions with the debtor.

##### *Lease accounting*

The lease payments are discounted using the interest rate implicit in the lease or that given in the lease contracts with financial institutions. The discount rate applied to real estate contracts are based on the incremental borrowing rate to which is added a spread to take account of country-specific economic environment. The average discount rate for real estate contracts is 4.75% at transition date.

#### 2.2 Critical judgements in applying the entity's accounting policies

##### *Lease accounting*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 3 Revenue

Revenue represents amounts invoiced, net of value added tax, derived from the company's principal activities.

An analysis of revenue by geographical source market is given below:

	2019	2018
	£000	£000
United Kingdom	16,554	13,858
Europe	1,174	1,134
Rest of the world	358	265
	18,086	15,257

#### 4 Operating loss

This is stated after charging:

	2019	2018
	£000	£000
Depreciation - owned assets (see note 9)	151	136
Depreciation of right-of-use assets (see note 10)	60	-
Operating lease rentals* - land and buildings	551	182
- other leased assets (including vehicles)	6,589	3,010

\* Operating lease rentals are those not within the scope of IFRS16, see exemptions taken in new standards, amendments and IFRIC interpretations accounting policy note 1.

During the year the company obtained the following services from the company's auditors:

	2019	2018
	£000	£000
Fees payable to the auditors for the audit of the company	32	32
Fees payable to auditors for the audit of the other group companies	6	6
	38	38

## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 4. Operating profit (continued)

During the year the company incurred exceptional administrative expenses of £2,163,000 (2018: £nil). These are analysed below:

	2019	2018
	£000	£000
Property related restructuring including onerous leases and loss on sale	364	-
Legal and professional fees and other costs	1,799	-
	2,163	-

#### 5 Personnel Costs

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

	2019	2018
	No.	No.
Sales and administration	60	46

	2019	2018
	£000	£000
Wages and salaries	2,147	1,722
Social security costs	224	191
Other pension costs	37	22
	2,408	1,935

## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 6 Directors' emoluments

	2019	2018
	£000	£000
Aggregate emoluments	95	124
	95	124

#### Remuneration of the highest paid director:

	2019	2018
	£000	£000
Aggregate emoluments	95	124

The other directors received no emoluments in respect of their services as directors of this company.



## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 7 Other financial expenses

	2019	2018
	£000	£000
Other interest payable	1	2
Interest on loans from group undertakings	148	14
Interest on lease liabilities*	21	-
<b>Other financial expenses</b>	<b>170</b>	<b>16</b>

\* The interest indicated is in respect of the application of IFRS 16 in the current year only under the modified retrospective approach, see note 1 and note 20.

#### 8 Tax on loss on ordinary activities

(a) Analysis of result / charge	2019	2018
	£000	£000
<b>Current tax</b>		
Current tax	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 11)	-	59
<b>Total deferred tax</b>	<b>-</b>	<b>59</b>
<b>Tax on loss on ordinary activities (note 8 (b))</b>	<b>-</b>	<b>59</b>

## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 8. Tax on loss on ordinary activities (continued)

##### (b) Factors affecting tax charge/(credit) in the year

Tax result for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£000	£000
Loss on ordinary activities before taxation	(9,083)	(1,616)
Loss on ordinary activities before taxation at 19% (2018: 19%)	(1,726)	(307)
Valuation allowance on current year loss	1,726	307
Prior year adjustment-deferred tax	-	59
<b>Total tax result / charge</b>	<b>-</b>	<b>59</b>

##### Factors that may affect future tax charges

The 2020 budget sets the Corporation Tax main rate at 19% for the financial year beginning 1 April 2020. This maintains the rate at 19% rather than reducing it to 17% from 1 April 2020. The charge to Corporation Tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021.

A deferred tax asset has not been recognised on trading losses carried forward due to the uncertainty as to when these would be utilised.

## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 9 Property, plant and equipment

	Plant and machinery, Fixture & Fittings	Computer Equipment	Computer Software	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 January 2019	271	143	587	1,001
Additions	10	21	32	63
<b>At 31 December 2019</b>	<b>281</b>	<b>164</b>	<b>619</b>	<b>1,064</b>
<b>Accumulated depreciation</b>				
At 1 January 2019	(192)	(105)	(348)	(645)
Charge for the year	(12)	(21)	(118)	(151)
<b>At 31 December 2019</b>	<b>(204)</b>	<b>(126)</b>	<b>(466)</b>	<b>(796)</b>
<b>Net book value</b>				
<b>At 31 December 2019</b>	<b>77</b>	<b>38</b>	<b>153</b>	<b>268</b>
<b>At 31 December 2018</b>	<b>79</b>	<b>38</b>	<b>239</b>	<b>356</b>

# Brunel Carriage Limited

## Notes to the financial statements (continued)

### 10 Right-of-use asset leases

From 1 January 2019, Right-of-use assets have been recognised related to leasehold property and which used to be treated as a operating lease, see note 20 for details about the effect of adoption of IFRS 16. Information about these leases is presented below.

#### (i) Amounts recognised in the statement of financial position

	2019	1 January 2019
	£000	£000
<b>Right-of-use assets</b>		
Leasehold property	403	463
	403	463
<b>Lease liabilities</b>		
Current	54	51
Non-current	358	412
	412	463

Additions to the right-of-use assets during the 2019 financial year were £nil (2018: £nil).

#### (ii) Amounts recognised in the income statement

	2019	2018
	£000	£000
<b>Depreciation charge of right-of-use assets</b>		
Leasehold property	60	-
	60	-
<b>Interest expense on right-of-use liabilities (included in finance cost)</b>	(21)	-

The total cash outflow for right-of-use leases in 2019 was £65,000.

# Brunel Carriage Limited

## Notes to the financial statements (continued)

### 11. Trade and other receivables

	2019	2018
	£000	£000
Trade receivables	2,277	1,806
Prepayments and accrued income	1,007	476
Amounts owed by group undertakings	558	558
Other taxation and social security	195	-
Deferred tax	-	-
	4,037	2,840

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. All amounts are considered recoverable.

Trade receivables are stated after provisions for impairment of £500,000 (2018: £500,000).

#### Deferred tax comprises:

	2019	2018
	£000	£000
Accelerated capital allowances	-	-
Losses carried forward	-	-
	-	-
Asset at 1 January		59
Deferred tax charged in the statement of total comprehensive income		(59)
Asset at 31 December	-	-

## Brunel Carriage Limited

### Notes to the financial statements (continued)

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

	2019	2018
	£000	£000
Trade creditors	1,019	836
Other taxation and social security	53	244
Amounts owed to fellow group undertakings	17,345	4,166
Accruals and deferred income	1,194	951
Right-of-use asset lease liabilities (see note 13)	54	-
	<b>19,665</b>	<b>6,197</b>

Amounts owed to fellow group undertakings are unsecured and are repayable on demand. Included within this balance are interest bearing balances that are charged at 2.61%, the rest are interest free.

#### 13. Creditors: amounts falling due after more than one year.

	2019	2018
	£000	£000
Right-of-use asset lease liabilities*	358	-
	<b>358</b>	<b>-</b>
	<b>Lease liabilities</b>	<b>Total</b>
<b>Maturity of debt</b>	<b>2019</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Within one year or on demand	52	52
Later than one year but not later than five years	208	208
Later than five years	98	98
<b>As at 31 December 2019</b>	<b>358</b>	<b>358</b>

\* The right of use liabilities is in respect of the application of IFRS 16 in the current year only under the modified retrospective approach, see notes 1, 10 and 20.

## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 14. Contingencies and other commitments

a) The company had no capital commitments, for which no provision has been made.

b) ) The company had the following future minimum lease payments under non-cancellable leases leases that do not fall within the scope of IFRS 16 for each of the following periods:

	2019		2018	
	Land and buildings	Vehicles	Land and buildings	Vehicles
	£000	£000	£000	£000
Payable:				
- Not later than one year	751	-	72	3
- Later than one year and not later than five years	876	-	288	-
- Later than five years	-	-	186	-
	<b>1,627</b>	<b>-</b>	<b>546</b>	<b>3</b>

Given the effects of the pandemic, the company is in positive negotiations to reduce the above liabilities both in amount and term.

The company initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. These leases are recognised in the statement of financial position for 2019 and not presented in the 2019 table above. Minimum lease rental payments are those not within the scope of IFRS16, see exemptions taken in new standards, amendments and IFRIC interpretations accounting policy note 1 and opening reconciliation in note 20.

#### 15. Called up share capital

	2019		2018	
	Number	£000	Number	£000
<b>Authorised</b>				
Ordinary shares of £1 each	50,000	50	50,000	50
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	50,000	50	50,000	50

## Brunel Carriage Limited

### Notes to the financial statements (continued)

16. Post-employment benefits

The group makes contributions on behalf of some employees to a Defined Contribution Pension scheme. The funds of these schemes are administered by trustees and are separate from the company. All payments are charged to the statement of total comprehensive income as and when they arise. The pension costs charge for the year amounted to £37,000 (2018:£22,000). The amount outstanding to be paid at the year-end amounted to £9,000 (2018:£1,000).

17. Security

CSC Trustees Limited as Security Trustee on behalf of various financiers holds a debenture over land and buildings, a fixed charge over receivables and a floating charge over the current and future assets of the company as security in respect of UK group borrowings.

18. Related party transactions

The company has taken advantage not to disclose transactions entered between companies within the group headed by Europcar Mobility Group S.A. as permitted by FRS101 framework. There were no other related party transactions in the current or preceding year.

19. Ultimate parent company

The company is a wholly owned subsidiary of Brunel Group Holdings Limited, its immediate parent, a company incorporated in the UK, and of its ultimate parent, Europcar Mobilty Group S.A.

The company's results are consolidated into the group headed by Europcar Mobility Group S.A. The consolidated financial statements of this group are available to the public from Europcar Mobility Group S.A., 13 Ter boulevard Berthier, 75017 Paris -France, or from the website <http://finance.europcar-group.com>.



## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 20. Effect of adoption of IFRS 16 – Leases

As indicated in notes 1 and 10, the company has adopted IFRS 16 Leases retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. This note explains the impact of the adoption of IFRS 16 "Leases" on the company's financial statements.

#### Impact on the financial statements

On 1 January 2019, the company decided to apply the modified retrospective approach which consists of recognising an asset for the right of use equal to the amount of the lease obligations. The comparative information in the first year of application is not restated.

The following tables present the impacts of the first application of IFRS 16 on the opening balance sheet

Statement of financial position (extract of impacted lines)	Balance Sheet published - 31 Dec 2018	IFRS 16 adjustment	Balance Sheet as of 1 January 2019
	£000	£000	£000
<b>Fixed assets</b>			
Property, plant and equipment	356	463	819
Creditors: amounts falling due within one year	(6,197)	(51)	(6,248)
<b>Net current liabilities</b>	<b>(2,343)</b>	<b>412</b>	<b>(1,931)</b>
Creditors: amounts falling due after more than one year	-	(412)	(412)
<b>Net liabilities</b>	<b>(1,987)</b>	<b>-</b>	<b>(1,987)</b>

There was no impact on the company's retained earnings as at 1 January 2019 from adopting this standard.

## Brunel Carriage Limited

### Notes to the financial statements (continued)

#### 20. Effect of adoption of IFRS 16 – Leases (continued)

##### Reconciliation to prior year lease commitments

	£000
Operating lease commitments disclosed as at 31 December 2018 (see note 11)	549
Less Lease agreements out of IFRS 16 scope and exemptions taken by the company	(86)
<b>Lease liability recognised as at 1 January 2019</b>	<b>463</b>
Of which are:	
Current lease liabilities	51
Non-current lease liabilities	412
<b>Lease liability recognised as at 1 January 2019</b>	<b>463</b>