

# **ALD AUTOMOTIVE GROUP LIMITED**

**Registered Number: 03120091**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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# **ALD AUTOMOTIVE GROUP LIMITED**

## **DIRECTORS**

M Dawson (resigned 1 July 2019)  
T Laver (appointed 1 July 2019)  
M Masterson (resigned 27 March 2020)  
S Ricke (resigned 1 September 2019)  
J Saffrett  
C Lattuada (appointed 1 September 2019)  
T Albertsen (appointed 27 March 2020)

## **SECRETARY**

A Woodward

## **AUDITORS**

Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol  
BS1 6BX

## **BANKERS**

HSBC Bank  
49 Corn Street  
Bristol  
BS99 7PP

## **SOLICITORS**

Addleshaw Goddard LLP  
Milton Gate  
60 Chiswell Street  
London  
EC1Y 4AG

## **REGISTERED OFFICE**

Oakwood Drive  
Emersons Green  
Bristol  
BS16 7LB

# **ALD AUTOMOTIVE GROUP LIMITED**

## **Directors' Report**

The directors present the audited financial statements of ALD Automotive Group Limited ("the Company") for the year ended 31 December 2019. The Company is a limited liability company domiciled and incorporated in the United Kingdom.

### **Results and dividends for the year**

The overall profit for the year after taxation amounted to £46,698k (2018: £40,853k). At the balance sheet date, total assets of the Company stood at £22,945k (2018: £22,945k) with net assets of the same amount as the Company had no liabilities.

During the year, a dividend of £46,698,000 (11.7p per share) was paid (2018: £40,853,000, 10.2p per share). Subsequent to the balance sheet date no dividend is proposed in relation to the year ended 31 December 2019.

### **Section 172 (1) statement – Directors' duty to promote success of the Company**

In accordance with Section 172 of the Companies Act 2006, the directors of the Company must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. The Company continues to be an investment company, holding the entire share capital of ALD Automotive Ltd ("the Subsidiary"). The directors consider that the Company's key business relationships are with the Subsidiary and its own parent undertaking, so the Company and its key stakeholders are under common control. The only transactions in the year were the receipt of dividend income from the Subsidiary and dividend payment to the immediate parent of the Company.

### **Directors**

The directors of the Company in office during the year and to date of approval of these financial statements are as listed on page 1.

No director held any beneficial interest in the issued share capital of the Company at 31 December 2019. In accordance with the terms of the Articles of Association, the directors are not subject to retirement by rotation.

All directors have the benefit of a contract of indemnity. This was in force during the whole of the year.

### **Going Concern**

The Company continues to be an investment holding company and did not trade during the year. The directors do not expect any changes to the business in the foreseeable future. Thus, they continue to adopt the going concern basis of preparation for the financial statements.

The directors believe the value in use of the investment in the Subsidiary is higher than its carrying value and therefore the investment in the equity is not impaired. The going concern basis of preparation of the financial statements has been adopted for the financial statements of the Subsidiary and as such the directors have a reasonable expectation that it has adequate resources to continue in existence for the foreseeable future.

The directors continue to monitor all aspects of the Covid-19 situation. Although trading conditions for the Subsidiary have been significantly impacted, the directors believe that the business is sufficiently resilient for there to be no material uncertainty regarding the ability of the Company to continue as a going concern.

# **ALD AUTOMOTIVE GROUP LIMITED**

## **Directors' Report**

### **Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditors**

A resolution to reappoint Ernst & Young LLP will be proposed at the next Annual General Meeting.

On behalf of the Board



T Laver  
Director  
23 July 2020

# **ALD AUTOMOTIVE GROUP LIMITED**

## **Strategic Report**

### **Business review, principal activities and future outlook**

The Company is an intermediate holding company with all income attributable to dividends from the Subsidiary. During the year, the Company received a dividend of £46,698k (2018: £40,853k) from the Subsidiary ALD Automotive Limited.

The Company's principal activity remains that of a holding company and the directors expect this to continue for the foreseeable future.

### **Principal risks and uncertainties**

Principal risks are those which the directors believe could materially affect the performance of the Company. Due to the nature of its business the Company is not directly exposed to market risk or liquidity risk.

The principal risk facing the Company relates to the valuation of its investments. Impairment is currently not considered likely as the net asset value of the Subsidiary is significantly higher than the respective book value in the financial statements.

On behalf of the Board



T Laver  
Director  
23 July 2020

## **ALD AUTOMOTIVE GROUP LIMITED**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report, the Strategic 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 IFRSs as adopted by the European Union 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.

# **ALD AUTOMOTIVE GROUP LIMITED**

## **Independent Auditor's Report to the Members of ALD Automotive Group Limited**

### **Opinion**

We have audited the financial statements of ALD Automotive Group Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Emphasis of matter – Effects of COVID-19**

We draw attention to notes 1 and 10 of the financial statements, which describes the economic disruption the company is facing as a result of COVID-19 which is impacting financial markets. Our opinion is not modified in respect of this matter.

### **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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

# **ALD AUTOMOTIVE GROUP LIMITED**

## **Independent Auditor's Report to the Members of ALD Automotive Group Limited**

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion 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 Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report or the Strategic Report.

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

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

### **Responsibilities of directors**

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

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



# **ALD AUTOMOTIVE GROUP LIMITED**

## **Independent Auditor's Report to the Members of ALD Automotive Group Limited**

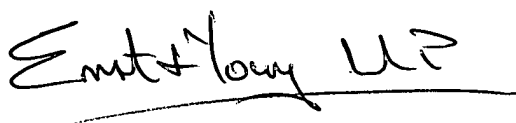
### **Auditors' responsibilities for the audit of the financial statements**

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 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', with a horizontal line underneath.

Richard Page (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
Statutory Auditor  
Bristol  
28 July 2020

**ALD AUTOMOTIVE GROUP LIMITED****Statement of Comprehensive Income for the year ended 31 December 2019**

	Notes	2019 £'000	2018 £'000
Dividend income from the Subsidiary		<u>46,698</u>	<u>40,853</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,698	40,853
Taxation	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>46,698</u>	<u>40,853</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>46,698</u>	<u>40,853</u>

<b>ALD AUTOMOTIVE GROUP LIMITED</b> <b>Statement of Financial Position as at 31 December 2019</b>
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	Notes	2019 £'000	2018 £'000
<b>NON-CURRENT ASSETS</b>			
Investments	4	<u>22,945</u>	<u>22,945</u>
<b>TOTAL ASSETS</b>		<u>22,945</u>	<u>22,945</u>
<b>NET ASSETS</b>		<u>22,945</u>	<u>22,945</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	5	8,000	8,000
Share premium account	6	14,945	14,945
Retained earnings	6	<u>-</u>	<u>-</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>22,945</u>	<u>22,945</u>

  
 T Laver  
 Director  
 23 July 2020

The accompanying notes are an integral part of this statement of financial position.

Company Registration Number: 03120091

**ALD AUTOMOTIVE GROUP LIMITED****Statement of Changes in Equity for the year ended 31 December 2019**

	Share Capital £'000	Share Premium Account £'000	Retained Earnings £'000	Total £'000
Balance as of 31 December 2017	8,000	14,945	-	22,945
Profit for the year and total comprehensive income			40,853	40,853
Dividend paid			(40,853)	(40,853)
Balance as of 31 December 2018	<u>8,000</u>	<u>14,945</u>	<u>-</u>	<u>22,945</u>
Profit for the year and total comprehensive income			46,698	46,698
Dividend paid			(46,698)	(46,698)
Balance as of 31 December 2019	<u>8,000</u>	<u>14,945</u>	<u>-</u>	<u>22,945</u>

**ALD AUTOMOTIVE GROUP LIMITED**

Statement of Cash Flows for the year ended 31 December 2019

	2019 £'000	2018 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	46,698	40,853
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>46,698</u>	<u>40,853</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(46,698)	(40,853)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>(46,698)</u>	<u>(40,853)</u>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	-	-
Cash and cash equivalents at the beginning of the year	-	-
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>-</u>	<u>-</u>

# **ALD AUTOMOTIVE GROUP LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2019**

## **1. ACCOUNTING POLICIES**

### **Basis of preparation**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through income as set out in the relevant accounting policies and are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company continues to be an investment holding company and did not trade during the year. The directors do not expect any changes to the business in the foreseeable future. Thus, they continue to adopt the going concern basis of preparation for the financial statements.

The directors believe the value in use of the investment in the Subsidiary is higher than its carrying value and therefore the investment in the equity is not impaired. The going concern basis of preparation of the financial statements has been adopted for the financial statements of the Subsidiary and as such the directors have a reasonable expectation that it has adequate resources to continue in existence for the foreseeable future.

The directors continue to monitor all aspects of the Covid-19 situation. Although trading conditions for the Subsidiary have been significantly impacted, the directors believe that the business is sufficiently resilient for there to be no material uncertainty regarding the ability of the Company to continue as a going concern.

The presentation currency is sterling (GBP). Amounts disclosed are rounded to the nearest £1,000.

The Company is exempt by virtue of IAS 27 "Consolidated and Separate Financial Statements" from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

### **Investments**

Investment in the Subsidiary is held initially at cost, being the fair value of the consideration given to acquire the holding. Investments are subsequently recorded at cost plus any further capital contributions and less any provision for impairment in value. The carrying value is reviewed for impairment annually.

### **Dividend income**

Dividend income is recognised when the right to receive payment is established. This is when the Board of ALD Automotive Limited approves the dividend based on the entity's statutory results.

## **2. OPERATING PROFIT/LOSS**

Auditor's remuneration is borne by ALD Automotive Limited, a subsidiary of the Company.

## **3. TAXATION**

### **a) Analysis of the tax charge in the period**

	2019 £'000	2018 £'000
Tax on profit on ordinary activities	-	-

# ALD AUTOMOTIVE GROUP LIMITED

Notes to the Financial Statements for the year ended 31 December 2019

## 3. TAXATION (continued)

### b) Factors affecting the tax charge for the period

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	<u>46,698</u>	<u>40,853</u>
Profit on ordinary activities multiplied by standard rate UK corporation tax of 19% (2018: 19%)	8,873	7,762
Tax effect of amounts not deductible (taxable): Dividend income from the Subsidiary	<u>(8,873)</u>	<u>(7,762)</u>
	<u>-</u>	<u>-</u>

## 4. INVESTMENTS

	Shares in subsidiaries £'000	Other shares (unlisted) £'000	Total £'000
Cost:			
At 31 December 2019	22,936	9	22,945
At 31 December 2018	<u>22,936</u>	<u>9</u>	<u>22,945</u>

The Company holds 100% of the ordinary shares in ALD Automotive Limited, a vehicle management services company incorporated in the United Kingdom under the laws of England and Wales.

All equity shares of Red & Black Auto Lease UK 1 PLC, a securitisation special purpose vehicle, are held by Intertrust Corporate Services Limited as trustees. The directors nevertheless consider that its financial and operating policies were largely determined to facilitate a securitisation transaction on behalf of ALD Automotive Limited. Therefore, for accounting purposes, Red & Black Auto Lease UK 1 PLC is a subsidiary of ALD Automotive Limited, incorporated in the United Kingdom under the laws of England and Wales

## 5. SHARE CAPITAL

	2019 No.	2018 No.
<u>Authorised:</u>		
Equity share capital:		
Ordinary shares of 2p each	<u>400,000,000</u>	<u>400,000,000</u>
	No.	£'000
<u>Allotted, called up and fully paid:</u>		
Ordinary shares of 2p each		
As at 31 December 2019 and 31 December 2018	<u>400,000,000</u>	<u>8,000</u>

# ALD AUTOMOTIVE GROUP LIMITED

Notes to the Financial Statements for the year ended 31 December 2019

## 6. RESERVES

	Share Premium £'000	Retained Earnings £'000
At 31 December 2019	14,945	-
At 31 December 2018	14,945	-

## 7. CONTINGENT LIABILITIES

At 31 December 2019 the Company has given multilateral guarantees on an ALD Automotive Limited overdraft facility of £49.3m (2018: £51.9m).

## 8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	2019 £'000	2018 £'000
<b>ALD International SAS &amp; Co KG (immediate parent)</b>		
Dividends paid in year	46,698	40,853
<b>ALD Automotive Limited (100% owned subsidiary)</b>		
Dividend income in year	46,698	40,853

The Company has no employees and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the current period. There have been no transactions during the year between the Company and key management personnel.

## 9. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking and controlling entity is ALD International SAS & Co. KG, a company registered in Germany, for which group financial statements are prepared. Copies of these group financial statements can be obtained from Nedderfeld 95 22529 Hamburg.

The ultimate parent undertaking and controlling entity is the Société Générale Group, a company registered in France. Copies of the financial statements of Société Générale Group can be obtained from their head office at 29, Boulevard Haussmann, 75009 Paris, France or from their website at <https://www.societegenerale.com/en/measuring-our-performance/information-and-publications/financial-results>.

## 10. Subsequent Events

In early 2020 a new coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organisation (WHO). The unfolding COVID-19 pandemic crisis is affecting both the economy and financial markets and there are numerous challenges associated with the economic conditions resulting from efforts to address it. These include increased financial market volatility, liquidity concerns and government intervention.



## **ALD AUTOMOTIVE GROUP LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2019**

### **10. Subsequent Events (continued)**

In line with the Financial Reporting Council guidance issued in March 2020, the directors consider the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event at 31 December 2019 on the basis that at that date a) the WHO had not declared it as pandemic; and b) there were no confirmed coronavirus cases in the UK at that stage.

The directors continue to monitor all aspects of the Covid-19 situation. Although trading conditions for the Subsidiary have been significantly impacted, based on cash flow forecasts across a range of scenarios over the next 12 months and comfortable headroom in the loan facilities with parent Société Générale, the directors believe that the business is sufficiently resilient for there to be no material uncertainty regarding the ability of the Company to continue as a going concern, as detailed under note 1.

There has been no other significant event since the year end and up to the date of signing this report that require disclosure in these financial statements.