

Company Registration No. 12427320 (England & Wales)

Atlas Topco Limited  
Annual Report and Financial Statements  
For the year ended 31 August 2022

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**Atlas Topco Limited**  
**Company Information**

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**Directors**

L Griffin  
P A Gallagher  
P B Suter  
S Lowrie  
J K Walden

**Secretary**

Q Vakani

**Company number**

12427320

**Registered office**

The Point,  
37 North Wharf Road,  
London  
W2 1AF

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

	<b>Page</b>
Strategic report	1
Directors' report	8
Directors' responsibilities statement	10
Independent auditor's report	11
Consolidated income statement	14
Consolidated statement of financial position	15
Consolidated statement of changes in equity	17
Consolidated cash flow statement	18
Notes to the consolidated financial statements	19
Company statement of financial position	52
Company statement of changes in equity	53
Notes to the Company financial statements	54

## **Atlas Topco Limited**

### **Strategic Report**

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The Directors present their strategic report on the Atlas Topco Limited group of companies ("the Group") for the year ended 31 August 2022

#### **Principal activities**

During the year under review, the Group, which traded as Addison Lee and ComCab, was engaged principally in ground transportation activities in the UK, including the provision of the following services:

- private-hire and managed vehicles;
- executive cars and chauffeuring;
- Black Taxi services;
- airport transfers;
- roadshow and event transportation;
- same day deliveries and courier; and
- rental of motor vehicles to 3<sup>rd</sup> party private hire vehicle (PHV) and Courier drivers

Addison Lee operates the largest fleet of private hire vehicles in London and is one of the largest single taxi fleets in the world with its iconic branded vehicles which include over 2000 ULEZ compliant ICE vehicles and 700 all electric VW ID.4s – with our transition to premium and executive emission free vehicles continuing at pace. On 12<sup>th</sup> July 2021, Addison Lee completed the acquisition of the London assets of ComCab and now operates the largest combined PHV and black taxi fleet in the Capital with over 5000 vehicles. Over the year, the integration of ComCab included the development of a new ComCab drivers app and the introduction of the ComCab service across the Addison Lee booking channels, including Web, App and Phone (through our state of the art UK based contact centre). Addison Lee also operates London's market leading same-day courier business with over 300 branded vans and 40 courier bikes in fleet. Addison Lee's technology continues to lead the market across PHV, Black Taxi and courier markets with many industry awards for innovation as well as the environmental benefits of efficient despatch algorithms. We continued to invest in our technology, our fleet and our people to improve efficiency, reduce our carbon footprint and support our double digit year on year growth.

#### **Company information**

Atlas Topco Limited was incorporated on 27 January 2020 to facilitate the acquisition of Addison Lee Financing Limited and underlying operations including Addison Lee Limited, Eventech Limited and Project Tristar Limited. The acquisition was completed on 23 March 2020 and represents an exciting new chapter for the business to build on Addison Lee's 45-year heritage and retain its position as London's most trusted private hire, chauffeur and same day courier service while integrating Black Taxi services into our offering. Over the last 2 ½ years the business has transformed its participation strategy, its operations and its support functions. The business model, supported by 1) a relentless focus on valued customers, 2) an unrivalled earning opportunity for London's best private hire, Black Taxi and courier drivers, 3) technology leadership in the mobility sphere, 4) a relentless drive for efficiency and 5) a commitment to reducing and eliminating our carbon footprint to become the first zero emissions fleet in London is well-positioned to continue to deliver exceptional profitable growth.

#### **Business Review**

The Directors consider the Group's key financial performance indicators to be those that communicate the financial performance and strength of the Group as a whole, as follows (see note 3 for more details of alternative performance measures):

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Revenue	218,448	164,372
Gross profit	57,159	43,383
Gross profit margin	26.2%	26.4%
Adjusted EBITDA	19,117	7,873
Cash Flow Available for Debt Service (CFADs)	3,358	(17,954)
Net assets before subordinated debt	66,776	61,653

The 2022 financial year was a year of transition and change. We moved out of a restricted pandemic trading environment characterised by lockdown restrictions and reduced demand for mobility services which saw a large number of our valued drivers leave Addison Lee to a period of unprecedented demand for all our services. We focused our efforts at all times on protecting the livelihoods of our drivers and supporting our loyal customers with their mobility and movement of goods requirements.

From an excess of supply through FY21, where we focused our efforts on subsidising drivers, we moved to a post pandemic boom in the demand for our mobility services which meant that we had to balance supply and demand through the restriction of our services based on our contractual obligations to customers. Even given this, we delivered a 33% uplift in revenue and Adjusted EBITDA of £19.1m, a 142% increase on prior year (2021: £7.9m). Liquidity remains strong with cash at £31.6m (2021: £29.4m).

Performance in the year was strong, with revenues and profits recovering well out of the pandemic trading environment. While we have emerged from the COVID-19 pandemic in a position of strength, shortage of PHV drivers had a significant impact on our ability to meet demand in the year. The number of active PHV drivers in London dropped by nearly 10% from pre-pandemic levels as drivers left the industry to pursue other career opportunities. The Pandemic impact has been exacerbated by a number of other factors including Brexit, with many drivers leaving the UK, and the TFL back log in dealing with applications for new PCO licenses and renewals. TFL shows a decrease of 9,000 drivers from 2019 to December 2022. Likewise, the number of Black Taxi drivers in the UK has declined from 5,000 in 2019 to December 2022. With the shortage of PHV supply and strong demand for journeys, however, Black Taxi drivers are returning to the trade, supported by strong street hailing opportunities and new platforms that offer passengers the ability to book Black Taxis via apps, including the inclusion of the ComCab Black Taxi on the Addison Lee app.

As the transport provider of choice for many businesses and passengers, Addison Lee plays a critical role in London's transport network. Over the years, we have invested in our vehicles and technology to ensure we do all we can to make London a greener place. In November 2021, as part of the commitment to fully electrify our private hire fleet, the Group ordered 450 fully electric VW ID4s. Addison Lee now operates the largest Electric PHV fleet in the UK which has helped our business customers and passengers reduce their carbon footprints.

Driver well-being is core to our business. In June 2021, Addison Lee introduced a new scheme for our PHV drivers, that gave them the benefit of an industry-leading pension, holiday pay and guaranteed London Living Wage along with the best combined earnings opportunity in our sector. All our drivers benefit from highly fuel-efficient late model vehicles under 4 years of age, but with a growing fleet of electric and zero-emissions capable vehicles our drivers also benefit economically from the decarbonisation of our fleet. Addison Lee continues to offer an ultra-competitive vehicle rental plan which offers them a defined range of high quality, ULEZ compliant late model vehicles which meet the demanding requirements of our customers.

#### **Net assets before subordinated debt**

The Directors believe that the Term Loan B and Priority Shares (subordinated debt), considering their nature, substance and repayment terms should be treated as quasi equity as settlement is expected as part of the Exit Waterfall specified in the Restructuring Implementation Deed dated 25 August 2020. These are currently classified as interest bearing loans and borrowings in the Consolidated Statement of Financial Position. This measure presents these borrowings as quasi equity to better reflect the economic position of the Group's capital providers.

#### **Outlook**

After such a strong year we continue to look forward with confidence. The business is well-positioned, both financially and operationally, to invest for the future. The business continues to trade profitably at an Adjusted EBITDA level for the first three months of the financial year, delivering an unaudited first quarter profit of £5.5m, ahead of management's plan for the period. Performance, however, continues to be constrained by driver capacity due to shortages of qualified PCO licensed drivers who meet Addison Lee's high standards and competition for capacity from our valued Black Taxi drivers from their street hail activity. We have substantially ramped up our recruitment activities (technology, people and marketing) and this has delivered substantial growth in driver numbers over the 1<sup>st</sup> quarter of FY23 in excess of our plan for the period. We remain confident that Addison Lee's offer represents the best overall earnings and career opportunity to our professional drivers and couriers.

#### **Principal Risks and Uncertainties**

Continued consequences of Covid-19

The Group continues to manage the ongoing consequences of Covid-19 and while these have, and may continue to evolve, they have become intrinsically linked with other prevalent external factors contributing to current uncertainty in the environment in which we operate. These include PCO drivers and other skilled labour shortages, threats to supplier resilience, economic viability and volatility, and the threat of new variants. Each of these potential risks are incorporated, as needed, in the suite of principal risks. We have invested considerably

to position the business for growth and have worked hard to build capacity to respond to the changing nature of demand for our mobility services in the capital. We have the liquidity and a flexible cost base to remain profitable including flexibility in our fixed costs to react to changes in the demand outlook. We have restructured our fleet financing with a move to reduce our exposure to fixed term contract hire arrangements toward outright ownership, lease purchase and finance leasing to increase the flexibility to respond to both fluctuations in demand and to new model availability from the OEMs as this continues to evolve rapidly.

#### **Economy**

Following a strong economic recovery over the last 18 months after the restrictions brought on by the Covid-19 pandemic, the global economic outlook has deteriorated significantly over the last six months due to the hangover from Covid and exacerbated by events in Ukraine. Inflation is now at 40 year highs with significant increases in interest rates on the horizon. This has led to increased concerns about recession both in the UK and globally. After c.20 years of low levels of inflation, the material increases in inflation over the last six months, together with the expectation that it will remain at higher-than-normal levels for some time, could lead to significant cost pressures on our business. While we aim to offset inflationary pressure through price increases and have been successful in achieving such increases to date, we will need to continue with this strategy to ensure that we protect our overall profitability. The ongoing conflict between Ukraine and Russia and the resulting impact on energy supplies and prices is driving up costs for our drivers and couriers, as well as having an impact on Addison Lee's cost base. We will continue to support our drivers and have been successful at passing on fuel surcharges to customers to facilitate this. Addison Lee continues to experience considerable excess demand for its services, exceeding 100% of the journeys we currently fulfil. This strong demand and imbalance with supply gives us a degree of comfort that volumes will remain resilient even under uncertainty for the UK economy. The Company's cost base, which has been right-sized over the last 2 ½ years, retains a high degree of flexibility to align with changes in business activity and we continue to refine our tech stack and operations to secure increased value for money.

#### **Competitive environment**

The ground transportation and courier markets are highly competitive. There is a risk that changes in competitor strategies and advances in technology may give rise to new business models. The Group continues to invest in customer experience and technology innovations fundamental to our competitive advantage in order to mitigate these risks and to continue to deliver exceptional value to our customers and earnings opportunities to our drivers and couriers.

#### **Legislative and regulatory risks**

All but a small number of drivers engaged by the Group in the UK are self-employed. Actions have been brought against the Group by a small number of individuals claiming worker status, with potential claims including for minimum wage and holiday pay. Addison Lee has evolved its working practices over the years, including changes to the controls on drivers. These changes have increased the flexibility for our valued drivers and, subsequently, we have refined our driver and courier schemes to guarantee the London Living Wage, provide holiday pay, offer access to an industry-leading drivers' pension scheme and most importantly have responded to inflationary pressures with material improvements to our rates for drivers and couriers. We continue to defend ourselves against these historic claims and have prudently provided for these historic exposures. A recent Supreme Court decision brought by Uber, determined that PHV operators in London are "Principal" for all PHV jobs which has far-ranging implications for the relationship between drivers, the passenger, customers and the licensed operators. Addison Lee has responded to these changes in a timely fashion and we continue to believe we are fully compliant with all relevant legislation.

#### **Funding and liquidity risk**

The Group's operations are financed by a combination of equity, lease arrangements, asset finance, receivable finance and long-term bank borrowings. The Group maintains appropriate committed borrowing facilities to meet its forecasted funding requirements.

#### **Interest rate risk**

The Group has very limited exposure to interest rate movements and monitors its exposure to interest rates in light of the Group's debt exposure, consideration of the macroeconomic environment and sensitivity to potential interest rate rises. The Group avoids the use of derivatives or other financial instruments in circumstances when the outcome would effectively be largely dependent upon speculation on future rate movements.

#### Credit risk

As a standard policy, all customers who wish to trade on credit terms are subject to credit verification procedures. Trade receivables and amounts owed by drivers are reviewed on a regular basis. Credit terms are also reviewed and adjusted to manage credit related risks.

#### Sustainability

Sustainability is at the heart of our business. In September 2021, Addison Lee pledged to transition its entire fleet of 2,000 standard private hire vehicles to fully electric. This is two years ahead of any competitor in London. In November 2021, we introduced 450 fully electric VW ID4's on to our fleet. In the year that these vehicles have been on our fleet we have covered 6 million electric miles and saved 2 million kg of carbon from London's air. In recognition of our commitment to the decarbonisation of London's ground transport industry, Addison Lee was awarded with the Environment Award at the Quality, Service and Innovation Awards 2022. From December 2022 we have begun to add the next 500 EVs to our fleet and we will surpass 1,000 EVs by the Summer subject to OEM availability. We are also introducing 400 zero-emissions capable vehicles to our executive fleet from Q2 2023. Further EV and zero-emissions deliveries will continue through 2023 and beyond. Together with Addison Lee's fleet of Euro 6 VW Sharans and Ford Galaxies, our entire fleet is Ultra-Low Emission Zone (ULEZ) compliant. We are continuing to partner with Climate Care to offset the carbon emissions from our non-zero emission capable fleet as well as from other business sources of carbon emissions.

To support the switch to a fully electric fleet, Addison Lee is supporting drivers with access to charging infrastructure. We have partnered with Just Park to provide drivers with exclusive access to off-street charging points. We offer any EV driver access to a £500 grant, which supports them with upfront costs of installing a home charge point. In October 2022, Addison Lee signed electric vehicle charging agreements with bp pulse, which provides drivers access to BP's 3,000 charging hubs at preferential rates and Bonnet, which gives them access to a further 1,000 rapid chargers. Addison Lee is also investing in proprietary charging infrastructure to ensure we can continue to support our drivers with competitive rates, including a £150,000 investment in our fleet hub in West Drayton to provide rapid charging to drivers en route to and from Heathrow. Further developments to support our zero carbon future in and around central London are in the planning stage.

Our route to Net Zero is progressing at pace. Addison Lee is working with Reporting 21/Sirsa to develop a Net Zero/ESG strategy and plan. The project contains 5 stages:

- Collect and review existing documents, policies, and processes and establish methodology
- Define current ESG positioning, the company's ESG objectives, and alignment with current company processes and organisation
- Calculate current company emissions
- ESG Strategy and action plan
- Enable Addison Lee to efficiently monitor its ESG KPIs in a reporting tool.

Our aim is to formalise our net zero commitments in 2023.

#### Streamlined Energy and Carbon Reporting disclosure

	2022	2021
Emissions resulting from the purchase of electricity, heat, steam or cooling by the Group for its own use (location based)/ tCO2e	294.6	431.5
tCO2e per million £ turnover	1.3	2.6
tCO2e per FTE	0.5	0.8
Energy consumption used to calculate above emissions /kWh	1,523,653	2,032,221
Estimated emissions from the mileage covered by our fleet (tCO2e)	11,202	8,840
Carbon Offset Programme benefit (tCO2e)	(15,000)	(15,000)
Net Carbon Emissions post Carbon Offset Programme benefit (tCO2e)	(3,798)	(6,160)

### **Section 172 statement**

Section 172 of The Companies Act 2006 states that a Director of a company must act in the way it 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 so a Director of a company must have regard (amongst other matters) to:-

- a. The likely consequences of any decision in the long term;
- b. The interests of the Company's employees;
- c. The need to foster the Company's business relationships 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.

The Directors have received guidance from the Company Secretary to support the performance of their statutory duties.

The Board reviewed its current approach to corporate governance and decision making, engagement with stakeholders and the Company's impact on the environment. The following summarizes how the Company's Board fulfils its duties under Section 172.

### **Decision Making**

The Board fulfils its duties to act in good faith to promote the success of the Company through the implementation of its strategy. The Board's governing objective is to maximise long-term value for shareholders through the creation of sustainable competitive advantage in the premium ground transport and same day courier markets in London.

In order to achieve this, the Board believes the following underpinning principles are core to our success:

- i) We will be simple to do business with;
- ii) We will lead the industry on safety, reliability, comfort, consistency, luxury and sustainability;
- iii) We will be honest, do business with integrity and keep our promises to customers, drivers, suppliers and stakeholders;
- iv) We will be easy to access across all channels with best-in-class user experiences;
- v) We will strive to provide the best earning opportunity for Addison Lee's amazing self-employed passenger and courier drivers and to maintain the flexibility our drivers demand;
- vi) We will innovate across technology, service delivery, branding, operations and our support functions to maintain and extend our competitive leadership in London;
- vii) We will focus on operational excellence as a means to deliver great value to our customers and top quartile risk adjusted returns to our shareholders - simply because it's the right thing to do.

The Board regularly reviews key strategic, operational and organisational decisions assessing them against the above criteria and adherence to the Company strategy. Examples of Board decision making during the year include:

- The development and preparation of different scenarios, including a continuous review of the Group's liquidity to ensure the Group maintains adequate liquidity to manage current economic volatility;
- The review of the Company's operating model to ensure that it remains compliant, economically adaptable to uncertain trading outcomes and continues to deliver operating efficiency as well as enhanced service delivery to our valued customers; and
- Investment in our key channels to market including a major refresh to the App as well as an upgrading of our telephony platform to both enhance service / user experience as well as reduce costs.



### **Employee Engagement**

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

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

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

### **Driver Engagement**

Addison Lee is committed to providing the best earning opportunities and support for our professional passenger and courier drivers. In the Summer of 2021, we amended our Drivers' Scheme to provide improved earnings, additional incentives, holiday pay and an industry-leading drivers' pension scheme, which has been taken up by nearly half of our drivers. Our drivers are earning, on average, 30% more than pre-pandemic levels. We are not only focused on earnings, however, and we have also introduced an industry-leading driver benefits scheme, AL Rewards through our partner, Collective Benefits. This scheme provides meaningful savings opportunities for all our drivers, with full time drivers qualifying for a range of benefits including sick pay, accident cover and death in service benefit as well as a number of other benefits. With the introduction of Electric Vehicles to our fleet, we are continuing to provide our drivers with the safest, most comfortable and economic vehicle in the London private hire market. Notwithstanding the increases in the costs of electricity and fuel, many of our drivers continue to benefit from considerable savings on fuel by driving an electric vehicle.

### **Business Relationships**

The Board engages with a variety of stakeholders, including customers, regulators, and suppliers, to inform and enable balanced decisions that incorporate multiple viewpoints, in keeping with the Group's Strategy. In making decisions the Board considers the viewpoints and perspectives of the various stakeholders as well as the importance of maintaining the Group's integrity, brand and reputation. Examples of the Board's engagement with stakeholders during 2022 include:

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

### **Community and Environment**

The Group has sustainability and environmental care firmly embedded in its very fabric and this is core to our Group strategy. The Group strives to be the most sustainable premium provider of scale ground transport services in London. Sustainability runs through all aspects of our business, from energy-saving technologies in our offices and depots, commitments to paper-less working wherever possible, recycling facilities in every location, consideration of environmental impact in key purchase and operational decisions including in sourcing policies including the Group's over 2000 vehicle fleet.

Addison Lee have partnered with UN Women to support their Safe Spaces Now initiative in the UK. Safe Spaces Now works with women and the owners of spaces such as taxis and nightclubs to create safe spaces for women as they travel and live their day-to-day lives.

### **Culture and values**

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

On behalf of the board



P B Suter  
Director

Date: 28 February 2023

## **Atlas Topco Limited**

### **Directors Report**

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The Directors present their annual report and financial statements for the year to 31 August 2022.

#### **Directors**

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

L Griffin  
P A Gallagher  
P B Suter  
S Lowrie  
J K Walden

The Company has granted an indemnity to its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

#### **Results and Dividends**

The results for the year are set out on page 14 and there is a commentary on those results in the strategic report.

The Directors do not recommend payment of a dividend.

#### **Financial Instruments**

The Group holds financial instruments (see note 18) relating to its funding needs that comprise bank loans. Other financial assets and liabilities, such as trade receivables, trade payables and lease liabilities arise directly from the Group's operations, including from acquisition of vehicles. The Group monitors value and performance of certain debt instruments held by Addison Lee Insurance Limited and The Addison Lee Purpose Trust on a fair value basis.

#### **Research and Development**

Research and development activities continues to be undertaken in relation to booking, allocation, customer management and communications systems in order to improve and enhance both the customer experience and delivery of services.

#### **Disabled Persons**

The Group's policy is not to discriminate on grounds of disability and disabled workers are considered for all those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Employee Involvement**

The Group's policy is to consult and discuss with employees on matters likely to affect employees' interests. Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

#### **Going Concern and Viability Statement**

The Directors recognise that there continues to be a greater level of forecasting uncertainty at this time caused by the impact of high inflation, cost of living crisis followed by the UK's uncertain economic and political environment on consumer sentiment, Government policy and the overall impact on consumer demand. During the year, the Board carried out a robust assessment of the principal risks affecting the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties, including an analysis of the potential impact and mitigating actions are set out on pages 2 to 3 in the Strategic Report. The Board has assessed the viability of the Group over a 4-year period, taking into account the Group's current position and the potential impact of the principal risks and uncertainties. While the Board has no reason to believe that the Group will not be viable over a longer period, it has determined that 4 years is an appropriate period.

**Atlas Topco Limited**  
**Directors Report**

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The Board carried out a comprehensive exercise of financial modelling and stress-tested the model with a downside scenario based on the principal risks identified in the Group's annual risk assessment process. The scenarios modelled used the same assumptions as for the going concern review, for the years ending 31 August 2023 to 31 August 2026. In all scenarios, the effect on the Group's KPIs and borrowing covenants was considered, along with any mitigating factors. In November 2022, the Board agreed to extend the tenor on the Term Loan A Facility, from March 2024 to March 2025 which was completed on 26 January 2023. Based on this assessment, the Board confirms that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period to 31 August 2026.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the Directors have considered all of the potential scenarios and its principal risks. Under the potential scenarios considered, which includes a severe but plausible downside scenario, the Group remains within its debt facilities and the attached financial covenants for the foreseeable future and the Directors therefore believe, at the time of approving the financial statements, that the Group is well placed to manage its business risks successfully and remains a going concern.

**Auditor**

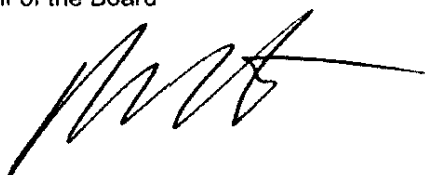
So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company and Group is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company and Group is aware of that information. Words and phrases used in this confirmation should be interpreted in accordance with section 418 of the Companies Act 2006.

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting to re-appoint RSM UK Audit LLP as auditor of The Company.

**Strategic Report**

Disclosures in respect of financial instrument risks, post balance sheet events, future developments, certain employment disclosures, business relationships and carbon reporting disclosures are set out in the Strategic Report.

On behalf of the Board



P B Suter  
Director

Date: 28 February 2023

**Atlas Topco Limited**  
**Directors Responsibilities Statement**

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The Directors are responsible for preparing the strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the Group financial statements (consolidated financial statements) in accordance with UK-adopted International Accounting Standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 the 'Reduced Disclosure Framework'. The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation. 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently; and
- make judgements and accounting estimates that are reasonable and prudent; and
- for the Group's financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards; and
- for the Company's financial statements, 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 Group and the Company will continue in business.

*The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.*

## **Independent Auditor's Report To members of Atlas Topco Limited**

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### **Opinion**

We have audited the financial statements of Atlas Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the consolidated income statement, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement, the Company statement of financial position, the Company statement of changes in equity and notes to the consolidated and company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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**

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 group's or the parent 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.

### **Other information**

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

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

We have nothing to report in this regard.

**Independent Auditor's Report**  
**To members of Atlas Topco Limited**

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**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 9, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

**Independent Auditor's Report**  
**To members of Atlas Topco Limited**

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are UK-adopted International Accounting Standards for the group financial statements, *United Kingdom Generally Accepted Accounting Practice for the parent company financial statements* and the requirements of the Companies Act 2006 for the group and parent company financial statements. We performed audit procedures to detect non-compliance which may have a material impact on the financial statements which included reviewing financial statement disclosures and completion of a financial statements disclosure checklist.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing the appropriateness of a sample of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

RSM UK Audit LLP

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

28 February 2023



**Atlas Topco Limited**  
**Consolidated Income Statement**  
**For the year ended 31 August 2022**

	Notes	2022 £'000	2021 £'000
<b>Revenue</b>	5	<b>218,448</b>	<b>164,372</b>
Cost of sales		<u>(161,289)</u>	<u>(120,989)</u>
<b>Gross profit</b>		<b>57,159</b>	<b>43,383</b>
Distribution costs		(11,091)	(10,303)
Administrative expenses		(37,465)	(41,133)
Exceptional items	7	<u>3,782</u>	<u>(874)</u>
<b>Operating profit/(loss)</b>		<b>12,385</b>	<b>(8,927)</b>
Share of profit/(loss) of associate	16	283	(5)
Finance costs	11	<u>(14,984)</u>	<u>(14,246)</u>
<b>Loss before taxation</b>		<b>(2,316)</b>	<b>(23,178)</b>
Tax charge	12	<u>(28)</u>	<u>(11)</u>
<b>Loss for the year</b>		<b>(2,344)</b>	<b>(23,189)</b>

All operations for the financial year are continuing. Loss for the year is attributable to the equity holders of the parent company.

There is no other comprehensive income other than that presented in the income statement above.

**Non-GAAP measure: Adjusted EBITDA**

<b>Operating profit/(loss)</b>	<b>12,385</b>	<b>(8,927)</b>
<i>Add back:</i>		
Exceptional items (note 7)	(3,782)	874
Depreciation of property, plant and equipment (note 13)	11,560	15,304
Amortisation of intangible assets (note 14)	9,871	12,330
(Profit)/loss on disposal of property, plant and equipment	<u>(1,056)</u>	<u>333</u>
<b>EBITDA</b>	<b>28,978</b>	<b>19,914</b>
<i>Less:</i>		
Vehicle lease costs	<u>(9,861)</u>	<u>(12,041)</u>
<b>Adjusted EBITDA</b>	<b>19,117</b>	<b>7,873</b>

For further details see note 3 alternative performance measures.

**Atlas Topco Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 August 2022**

	Notes	2022 £'000	2021 £'000
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	24,485	26,667
Intangible assets	14	96,650	104,285
Investment in associate	16	1,025	742
		<b>122,160</b>	<b>131,694</b>
<b>Current assets</b>			
Inventories	17	140	161
Trade and other receivables	18 (c)	27,575	19,151
Other short-term financial assets	18 (a)	12,182	11,449
Cash and cash equivalents	18 (b)	31,576	29,387
		<b>71,473</b>	<b>60,148</b>
<b>Total assets</b>		<b>193,633</b>	<b>191,842</b>
<b>Liabilities:</b>			
<b>Current liabilities</b>			
Trade and other payables	18 (d)	(26,602)	(29,004)
Income tax payable		(47)	(11)
Interest bearing loans and borrowings	18 (e)	(10,213)	(9,861)
Right of use liabilities	19	(7,123)	(11,083)
		<b>(43,985)</b>	<b>(49,959)</b>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	18 (e)	(136,095)	(123,492)
Provisions	21	(14,967)	(15,559)
Right of use liabilities	19	(11,821)	(13,704)
Deferred tax liabilities		(166)	(185)
		<b>(163,049)</b>	<b>(152,940)</b>
<b>Total liabilities</b>		<b>(207,034)</b>	<b>(202,899)</b>
<b>Net liabilities</b>		<b>(13,401)</b>	<b>(11,057)</b>

**Non-GAAP measure: Net Assets before subordinated debt**

<b>Net liabilities</b>	(13,401)	(11,057)
<i>Add back:</i>		
Subordinated debt (note 18 (e))	80,177	72,710
<b>Net Assets before subordinated debt</b>	<b>66,776</b>	<b>61,653</b>

**Atlas Topco Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 August 2022**

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	Notes	2022 £'000	2021 £'000
<b>Equity</b>			
Share capital	22	11	11
Share premium		9,994	9,994
Retained loss		(23,406)	(21,062)
<b>Total shareholders' funds</b>		<b>(13,401)</b>	<b>(11,057)</b>

The financial statements were approved by the board of Directors on 28 February 2023 and were signed on its behalf by:

**P B Suter**  
**Director**



**Atlas Topco Limited**  
**Consolidated Statement of Changes in Equity**  
**As at 31 August 2022**

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	Issued share capital	Share premium	Retained loss	Total
	£'000	£'000	£'000	£'000
<b>At 31 August 2020</b>	<b>11</b>	<b>9,994</b>	<b>2,127</b>	<b>12,132</b>
Loss for the year	-	-	(23,189)	(23,189)
<b>At 31 August 2021</b>	<b>11</b>	<b>9,994</b>	<b>(21,062)</b>	<b>(11,057)</b>
Loss for the year	-	-	(2,344)	(2,344)
<b>At 31 August 2022</b>	<b>11</b>	<b>9,994</b>	<b>(23,406)</b>	<b>(13,401)</b>

**Atlas Topco Limited**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 August 2022**

	Notes	2022 £'000	2021 £'000
<b>Loss for the year</b>		<b>(2,344)</b>	<b>(23,189)</b>
<i>Adjustment for:</i>			
Tax charge		28	11
Depreciation of property, plant and equipment		11,560	15,304
Amortisation of intangible assets		9,871	12,330
Share of (profit)/loss of associate		(283)	5
Finance costs		14,984	14,246
(Profit)/loss on disposal of property, plant and equipment		(1,056)	333
Decrease in inventories		21	30
Increase in trade and other receivables		(8,337)	(517)
Decrease in trade and other payables		(114)	(11,704)
Decrease in provisions		(592)	(506)
<b>Cash generated from operations</b>		<b>23,738</b>	<b>6,343</b>
Net interest paid		(1,123)	(1,283)
Corporation tax paid		(11)	-
<b>Net cash flows from operating activities</b>		<b>22,604</b>	<b>5,060</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(4,669)	(2,071)
Purchase of intangible assets		(2,236)	(1,705)
Proceeds from disposal of property, plant and equipment		2,744	625
Net cash paid to acquire business		(1,000)	(204)
Dividends received from associate		-	150
(Acquisition of)/proceeds from financial assets		(733)	391
<b>Net cash flows from investing activities</b>		<b>(5,894)</b>	<b>(2,814)</b>
<b>Financing activities</b>			
Net proceeds from borrowings - external		1,696	-
Payment of lease liabilities and related finance charges		(16,217)	(21,146)
<b>Net cash flows from financing activities</b>		<b>(14,521)</b>	<b>(21,146)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,189</b>	<b>(18,900)</b>
Cash and cash equivalents at beginning of year		29,387	48,287
<b>Cash and cash equivalents at end of year</b>	18 (b)	<b>31,576</b>	<b>29,387</b>

**1. Corporate information**

The consolidated financial statements of Atlas Topco Limited (the Company) and its subsidiaries (collectively, "the Group") for the year ended 31 August 2022 were authorised for issue by the Board of Directors on 28 February 2023. Atlas Topco Limited ("the Company" or "the parent") is a limited company incorporated in England and Wales. The registered office is located at The Point, 37 North Wharf Road, London W2 1AF.

The Group is principally engaged in the provision of ground transportation activities including private-hire and managed vehicles, executive cars and chauffeuring services, airport transfers, coaches hire, transportation for events and deliveries and courier services, and the ownership and rental to third parties of motor vehicles.

The list of subsidiaries held within the Group structure is provided in note 15. Information on other related party relationships of the Group is provided in note 24.

**2. Significant accounting policies**

**a) Basis of preparation**

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IFRS).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The principal accounting policies adopted are set out below. These policies have been consistently applied except where noted.

The consolidated financial statements are presented in British Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain significant accounting judgements, estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

**b) Going concern**

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

As part of the Group's going concern assessment, management has produced forecasts that have been sensitised to model plausible but severe downside scenarios and their impact on the Group and its markets, which have been reviewed by the Audit Committee and the Board of Directors. These forecasts demonstrate that the Group has access to sufficient cash reserves (net cash of £31.6m at 31 August 2022), for the forecast period of more than 12 months beyond the date of the signing of these financial statements, to enable the Group to meet its obligations as they fall due.

Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**c) Basis of consolidation**

The Group's consolidated financial statements comprise the financial statements of Atlas Topco Limited and its subsidiaries presented as a single economic entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an entity if facts and circumstances indicated that there are changes to one or more of the three elements of control above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where there is a loss of control of a subsidiary, the Group derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between group members are eliminated on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

**d) Business combinations**

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. On the acquisition of a subsidiary, fair values reflecting conditions at the date of acquisition are attributed to the identifiable separable assets, liabilities and contingent liabilities acquired. Where the total consideration is different to the fair value of the identifiable separable assets, liabilities and contingent liabilities acquired, the difference is treated as purchase goodwill and capitalised, or a bargain purchase gain and recognised in the income statement. Contingent payments are remeasured at fair value through the income statement. All transaction costs are recognised in the income statement as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

**e) Revenue recognition**

Revenue from contracts with customers is recognised consistent with the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on an allocation of the transaction price to each performance obligation.

The transaction price is measured at the fair value of the consideration received or receivable, excluding sales taxes.

The Group operates two different business arrangements for its "Accounts" and "Non-accounts" business. The Group is deemed to be the principal for accounting purposes under both arrangements, as explained below:

*Account*

Revenue from "Account" business arises from customers who are registered and hold an account with one of the Group companies. The Group establishes prices and contracts directly with these customers to provide services including private-hire and courier deliveries. The responsibility for delivering on the performance obligations ultimately remains with the Group.

The Group has concluded that it is the principal in all of its revenue from this arrangement since it is the primary obligor in all these arrangements. Revenue is recognised when the service has been provided.

*Non-account*

Non-account revenues relate to bookings by individuals or businesses who do not hold an account with the Company or one of its subsidiary companies. Under this arrangement the individuals or businesses contract directly with a private-hire or courier driver, and the Group receives a booking fee from drivers in return for allocating the job.

Under IFRS 15 *Revenue from Contracts with Customers*, the Group has concluded that, for accounting purposes, it is the principal in all of its revenues from the non-account arrangement and has recognised the full value of the service rather than the booking fee. Revenue is recognised when the service has been provided.

**Other revenue streams**

Revenue from the rental of vehicles to drivers and associated motor reimbursement services, advertising services and other ancillary and related services is recognised on a time apportioned basis.

**Insurance premium income**

Under the annual basis of accounting, premium written comprises the premiums due on contracts entered into during a financial period, regardless of whether such amounts may relate in whole or in part to a later financial period, exclusive of taxes levied on premiums.

**f) Finance income and expense**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Interest income and costs are included in finance costs in the income statement.



**g) Income tax**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**h) Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Leasehold land and buildings	Over the unexpired term of the lease
Fixtures, fittings and equipment	Up to 3 years
Motor vehicles	Up to 4 years
Right-of-use lease assets	Over the lease term

**i) Right-of-use assets**

Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset was available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. The right-of-use asset's cost comprises the initial amount of the lease liability, adjusted for as applicable, any lease payments made at or before the commencement date net of any lease incentives received, and any initial direct costs incurred.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**j) Goodwill**

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill is assigned an indefinite useful economic life. Impairment reviews are performed annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses recognised on goodwill are not reversed in subsequent periods.

**k) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs and intellectual property, are not capitalised and the related expenditure is reflected in the income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or within a cash-generating unit. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Research costs are expensed as incurred. Software and IT development expenditures incurred on an individual project are capitalised as an intangible asset when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the asset is available for use by the business. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Where computer software is not an integral part of a related item of computer hardware, the software is recognised as an intangible asset. Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software as intended by management.

The intangibles held by the Group and the useful lives over which they are amortised are as follows:

Software and IT development	Straight line basis, up to 3 years
Patents	Straight line basis over 5 years
Brands and intellectual property	Straight line basis up to 15 years

**l) Impairment of goodwill, intangible assets and property, plant and equipment**

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and when circumstances indicate that the carrying value may have suffered an impaired loss. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated, and compared to the carrying amount, in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. As reversal of an impairment loss is recognised as income in the reporting period. Impairment losses recognised in respect of goodwill are not reversed in subsequent periods.

**m) Associates**

An associated undertaking is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Subsequent measurement presented in the consolidated financial statements includes the Group's share of the post-acquisition reserves of the associate less dividends received and provision for impairment.

Profit and loss arising from transactions between the Group and its associates are recognised only to the extent of unrelated investors' interest in the associate. The Group's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

**n) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost consists of all costs of purchase, costs of conversion, and other costs incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less any further costs expected to be incurred in the sale process.

**o) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are accounted for at the trade date.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Assets that are managed on a fair value basis in accordance with management policies, are measured at fair value through profit and loss.

**Trade and other receivables**

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one period 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.

Trade and other receivable are initially recognised at fair value and do not carry any interest and are stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amount.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and deemed deposits, and other short-term highly liquid investments with an original maturity of three months or less, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Financial liabilities and equity instruments**

Financial liabilities and equity instruments are initially recognised at fair value and classified according to the substance of the contractual agreement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are measured at the proceeds received, net of direct issued costs.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the income statement.

**Borrowings**

Interest-bearing loans and overdrafts are initially recognised at fair value, which equates to proceeds less issue costs at inception. Subsequent to initial recognition, borrowings are measured at amortised cost, using the effective interest rate method. Any differences between the proceeds, net of transaction costs, and the amount due on settlement is recognised in the income statement over the term of the borrowings.

**p) Foreign currency translation**

**Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Sterling which is the Company's functional and the Group's presentation currency.

**Transactions in foreign currencies**

Transactions denominated in foreign currencies within each entity in the Group are translated into functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are held at the period end are translated into the functional currency at the exchange rate as at the balance sheet date. Exchange differences on monetary items are recognised in the income statement in the period in which they arise, except where these exchange differences form part of a net investment in overseas subsidiaries of the Group, in which case such differences are taken directly to the foreign currency translation reserve.

**q) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**r) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation 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 obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

**s) Employee benefits**

The expected costs of accumulating paid absences are recognised as an expense in the income statement when the employees render services that increase their entitlement to future paid absences. In the case of non-accumulating paid absences, costs are recognised as an expense in the income statement when the absences occur.

**t) Post-retirement benefits**

The Group contributes to various defined contribution schemes for the benefit of its employees. Contributions payable are charged to the income statement as an expense as they fall due.

**u) Government grants – furlough scheme**

Government grants relating to costs including furlough are deferred and recognised in profit or loss over the period necessary to match with the costs that they are intended to compensate. They are also presented with the costs with which they are matched.

**v) Addison Lee Purpose Trust**

The consolidated financial statements incorporate the results of the Addison Lee Purpose Trust, an entity controlled by the Group.

The Trust has been established exclusively for the purpose of providing benefits to drivers ("Contributors"), in connection with contracts with one or more Group entities, by making funds available out of a Trust Fund for the payment or reimbursement of costs, expenses or other losses incurred by or for the benefit of Contributors in the course of driving pursuant to, or in connection with, contracts between Contributors and any one or more of the Group entities identified in the Trust instruments.

Contributions receivable are accounted for on an accruals basis. Motor reimbursements paid relate to payments made in respect of a self-insured reimbursement agreement between Group Entities and motor insurers which provides for the reimbursement to each fronting insurer the deductible payable under the relevant motor insurance cover provided by each fronting insurer to Contributors and Group Entities ("Reimbursement Agreements"). Provision for motor reimbursements comprises the estimated deductible element of the cost of motor claims which have been incurred but not yet paid on behalf of the insurer at the Statement of Financial Position date, whether reported to insurers or not, based on information provided by insureds, insurers, and loss adjusters and on previous loss experience. The deductible element will be liable to be reimbursed under the Reimbursement Agreements as and when the underlying claim costs are paid. Revenue represents contributions receivable less motor reimbursements paid and provisions made for motor reimbursements.

Certain of the Trust's investments, cash and cash equivalents and accrued investment income are subject to security interest agreements in favour of third parties (see note 18 (a) and (b)). Certain investments held by the Trust are managed on a fair value basis.

**w) Addison Lee Insurance Limited**

The consolidated financial statements incorporate the financial statements of a wholly owned subsidiary, Addison Lee Insurance Limited, whose principal activity is that of an insurance captive. Addison Lee Insurance Limited is registered with the appropriate regulatory authorities in Guernsey to engage in insurance contracts.

**Revenue**

Premium income is recognised as premium written less unearned premiums. Premium written comprises the premiums due on contracts entered into during a financial period, regardless of whether such amounts may relate in whole or in part to a later financial period, exclusive of taxes levied on premiums. Unearned premiums represent the proportion of premiums written which is estimated to be earned in future financial period, computed separately for each insurance contract using the daily pro-rata method. Premium income net of claims incurred are recognised as insurance income in the consolidated income statement.

**Claims outstanding and incurred but not reported reserve (IBNR)**

Claims outstanding comprise provisions for the estimated cost of settling all claims incurred up to, but not paid at, the balance sheet date whether reported or not, together with the relevant claims settlement expenses.

Provisions for claims are based on the best estimate of the present value of liabilities based on the information currently available to the Group. The methods used, and estimates made, are continually reviewed and any resulting adjustments are reported in the income statement in the financial period in which they are made. IBNR reserves are initially provided to the expected loss ratio of 100%, and kept under review and revised on an on-going basis in accordance with projected losses for that particular period.

**x) New Accounting Standards and Interpretations not yet mandatory or early adopted**

The following new amendments that are required to be adopted in annual periods beginning on 1 January 2021, did not have an impact on the financial statements of the Group:

IFRS	Subject
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Amendments to IFRS 16	Impact of the initial application of Covid-19-Related Rent Concessions

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Effective Date	IFRS	Subject
1 January 2022	Amendments to IFRS 3	Reference to the Conceptual Framework
	Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
	Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
	Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
1 January 2023	Amendments to IAS 1	Classification of Liabilities as Current or Non-current
	Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
	IFRS 17	Insurance Contracts
	Amendments to IAS 8	Definition of Accounting Estimates
Effective date deferred indefinitely	Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
	Amendments to IFRS10 and IAS 28	Sale or Contribution of Assets between an investor and its Associate or Joint Venture

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.



### **3. Alternative performance measures**

The Directors assess the performance of the Group using a variety of alternative performance measures to provide additional useful information to the members and stakeholders of the Group. These measures principally highlight underlying trends and performance, or function as key performance indicators. These measures are not defined under IFRS and therefore termed 'non-GAAP measures'. Non-GAAP measures are not designed to be a substitute for, or superior to, IFRS measures, and may not be directly comparable to performance measures used by other entities.

The non-GAAP measures used are as follows:

#### **a) Exceptional items**

The Directors consider transactions to be disclosed as exceptional items if individually or, if of a similar type, in aggregate, are one-off and non-recurring in nature or they are of sufficient size that failure to separately disclose their impact would misrepresent the underlying trading performance of the Group. Further details are provided in note 7 to the consolidated financial statements.

#### **b) Adjusted EBITDA**

Adjusted EBITDA is a measure of the underlying operating profit after the cost of vehicle depreciation and lease financing costs, which are fundamentally operating costs of the business. The measure excludes exceptional costs, interest, tax, depreciation, amortisation, loss on disposal of property, plant and equipment, loss on disposal of subsidiary and is net of vehicle lease costs. Further details are provided in the consolidated income statement on page 14.

Adjusted EBITDA is defined in the Senior Facility Agreement under which a consortium of banks provide credit facilities to the Group, and is therefore a key indicator of the Group's operating profitability.

#### **c) Cash Flow Available for Debt Service (CFADS)**

Cash Flow Available for Debt Service (CFADS) is a measure of how much cash is available from operations after other cash outflows to service debt obligations. It is calculated as EBITDA net of working capital, exceptional costs and non-vehicle capital expenditure, less vehicle and non-vehicle lease costs. Further details are provided in note 8 to the consolidated financial statements.

### **4. Judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The key assumptions concerning the future, and other key sources of estimation of uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period are disclosed below. The judgement used by management in the application of the Group's accounting policies in respect of these key areas of estimation are considered to be most significant.

- Software development expenditure is capitalised in accordance with the Group's accounting policy. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.
- The Group is required to estimate the cost of settling all claims (including but not limited to motor insurance, employment and litigation) claims incurred up to, but not paid at, the balance sheet date whether reported or not, which is considered a key source of judgement. Provisions for claims are based upon the information currently available to the Directors, and subsequent information and events may show that the ultimate liability is less than, or in excess of, the amount provided.

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

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- The classification of items as exceptional requires significant judgement to determine whether items are part of normal operating activities. Further details are set out in note 7.
- The Group is required to test goodwill and other intangible assets with indefinite useful lives annually by determining the recoverable amount of each cash-generating unit (CGU) from value-in-use calculations, which are based on cash flow projections derived from the most recent budgets and long-term plans. In carrying out this test, management makes assumptions on projected future cash flows, long term growth rates and discount rates applied to future cash flows.
- The Group is required to assess the recoverability of deferred tax assets in line with future trading and the availability of taxable profits, which is dependent on the long-term forecast and performance of the business. No deferred tax asset has been recognised as at 31 August 2022 due to uncertainty over its recoverability.

## **5. Revenue**

An analysis of the Group's revenue is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Private car services, black taxi, delivery and courier service:		
Passenger	145,921	102,935
Black Taxi	17,287	2,181
Courier	33,910	34,680
Driver contributions – fleet management	6,138	7,394
Rental of motor vehicles	15,192	17,182
	<b>218,448</b>	<b>164,372</b>

All revenue relates to the United Kingdom.

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

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**6. Loss for the year**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Loss for the year has been arrived at after charging/(crediting):		
Auditors remuneration (note 9)	150	131
Amortisation charge (note 14)	9,871	12,330
Depreciation charge (note 13)	11,560	15,304
Exceptional items (note 7)	(3,782)	874
(Profit)/loss on disposal of fixed assets (motor vehicles)	(1,056)	333

**7. Exceptional items**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Acquisition costs (1)	-	214
Restructuring and integration costs (2)	311	297
Property lease disposal (3)	(4,093)	-
Deferred prior year emoluments (4)	-	363
	<u>(3,782)</u>	<u>874</u>

Exceptional items are amounts arising that materially affect the Group's results. These include major one-off restructuring costs and costs relating to acquisition.

- (1) The prior year relates to professional costs incurred in the acquisition of ComCab (see note 27).
- (2) In the current year this relates principally to costs in relation to integration of the Comcab acquisition, the prior year relates to costs incurred in restructuring of the business resulting from the impact of Covid-19.
- (3) This relates to compensation for early termination of the property lease.
- (4) The prior year relates to costs recognised in relation to deferred and contingent prior year employment costs.

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

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**8. Alternative performance measures**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>EBITDA</b>	<b>28,978</b>	<b>19,914</b>
Working capital movement	(9,022)	(12,697)
Exceptional items (note 7)	3,782	(874)
Purchase of property, plant and equipment and intangible assets	(4,856)	(3,776)
Net vehicle costs	(13,047)	(18,199)
Other lease costs	(2,477)	(2,322)
<b>Cash Flow Available for Debt Service (CFADs)</b>	<b><u>3,358</u></b>	<b><u>(17,954)</u></b>

**9. Auditors remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Group's auditor for:		
Audit of the Group financial statements	150	131
Non-audit fees	79	83
	<u>229</u>	<u>214</u>

Non-audit fees include services relating to payroll and tax.

## 10. Employees

The average monthly number of persons including Directors employed by the Group during the year was:

### (a) Employee numbers

	<b>2022</b> <b>Number</b>	<b>2021</b> <b>Number</b>
Administration	199	226
Distribution	341	342
	<u>540</u>	<u>568</u>

### (b) Employment costs

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Wages and salaries	21,484	18,127
Social security costs	2,358	1,925
Pension costs - defined contribution schemes	646	626
	<u>24,488</u>	<u>20,678</u>

Wages and salaries are shown net of grants relating to the Government's furlough scheme in the year ended 31 August 2022 of £5,000 (2021: £954,000).

## 11. Finance costs

	<b>Note</b>	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Interest on bank borrowings		(7,670)	(7,424)
Interest payable on priority shares		(618)	(506)
Finance charges payable on hire purchase and finance lease liabilities		(42)	(240)
Finance charges payable on operating lease liabilities		(1,254)	(1,512)
Unwinding of loan fair value adjustment	18 (e)	(5,276)	(4,563)
Other finance costs		(124)	(1)
		<u>(14,984)</u>	<u>(14,246)</u>

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

**12. Tax charge**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Recognised in the income statement</b>		
<i>Current income tax:</i>		
UK corporation tax for the current year	(47)	(11)
	<u>(47)</u>	<u>(11)</u>
<i>Deferred tax:</i>		
Deferred tax adjustments in respect of prior years	19	-
	<u>19</u>	<u>-</u>
<b>Tax charge reported in the income statement</b>	<b><u>(28)</u></b>	<b><u>(11)</u></b>

UK income tax is calculated at 19.00% of the assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Tax charge for the year can be reconciled to accounting loss as follows:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Accounting loss before tax	<u>(2,316)</u>	<u>(23,178)</u>
Income tax credit at rates prevailing in the UK of 19.00% (2021: 19.00%)	440	4,404
Expenses not deductible	(1,072)	(1,792)
Income not taxable	62	13
Effects of overseas tax rate changes	(47)	(11)
Capital allowances super deduction	20	
Deferred tax not recognised	569	(2,625)
<b>Tax charge reported in the income statement</b>	<b><u>(28)</u></b>	<b><u>(11)</u></b>

Apart from recognition of deferred tax liability recognised on a prior year acquisition of £166,000 (2021: £185,000) no deferred tax asset or liability is recognised on assessed tax losses, capital allowances and loan relationship deficits of £26.0m (2021: £23.1m).

Atlas Topco Limited  
Notes to the Consolidated Financial Statements  
For the year ended 31 August 2022

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13. Property, Plant and equipment

	Lease- hold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
<b>At 31 August 2020</b>	<b>15,460</b>	<b>1,355</b>	<b>25,068</b>	<b>41,883</b>
Acquired on business combination	-	642	473	1,115
Additions	125	204	2,326	2,655
Disposals	-	(5)	(1,014)	(1,019)
<b>At 31 August 2021</b>	<b>15,585</b>	<b>2,196</b>	<b>26,853</b>	<b>44,634</b>
Additions	3,187	408	11,832	15,427
Disposals	(5,616)	-	(21,881)	(27,497)
<b>At 31 August 2022</b>	<b>13,156</b>	<b>2,604</b>	<b>16,804</b>	<b>32,564</b>
<b>Depreciation</b>				
<b>At 31 August 2020</b>	<b>790</b>	<b>35</b>	<b>1,898</b>	<b>2,723</b>
Depreciation charge for the year	1,867	729	12,708	15,304
In respect of disposals	-	-	(60)	(60)
<b>At 31 August 2021</b>	<b>2,657</b>	<b>764</b>	<b>14,546</b>	<b>17,967</b>
Depreciation charge for the year	1,904	991	8,665	11,560
In respect of disposals	(1,533)	-	(19,915)	(21,448)
<b>At 31 August 2022</b>	<b>3,028</b>	<b>1,755</b>	<b>3,296</b>	<b>8,079</b>
<b>Net book value</b>				
<b>At 31 August 2022</b>	<b>10,128</b>	<b>849</b>	<b>13,508</b>	<b>24,485</b>
<b>At 31 August 2021</b>	<b>12,928</b>	<b>1,432</b>	<b>12,307</b>	<b>26,667</b>

**Right-of-use assets**

Included within property, plant and machinery are right-of-use assets, which consist of assets arising from operating lease arrangements accounted for under IFRS 16, finance lease agreements and hire purchase agreements:

	<b>Lease- hold land and buildings</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Carrying value at 31 August 2020</b>	<b>11,712</b>	<b>23,071</b>	<b>34,783</b>
Additions	-	569	569
Depreciation charge for the year	(1,541)	(12,357)	(13,898)
Lease completion/net disposals	-	(69)	(69)
<b>Carrying value at 31 August 2021</b>	<b>10,171</b>	<b>11,214</b>	<b>21,385</b>
Additions	975	9,783	10,758
Depreciation charge for the year	(1,394)	(9,273)	(10,667)
Lease completion/net disposals	(2,522)	(1,634)	(4,156)
<b>Carrying value at 31 August 2022</b>	<b>7,230</b>	<b>10,090</b>	<b>17,320</b>

Right of use liabilities are disclosed in note 19. Interest expense on lease liabilities is detailed in note 11.



14. Intangible assets

	Goodwill	Brands and intellectual property	Software and IT developme -nt	Patents	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
<b>At 31 August 2020</b>	<b>57,019</b>	<b>31,973</b>	<b>21,879</b>	<b>129</b>	<b>111,000</b>
Acquired on business combination	789	970	-	-	1,759
Adjustment in respect of prior period acquisition	7,760	-	-	-	7,760
Additions	-	-	1,705	-	1,705
<b>At 31 August 2021</b>	<b>65,568</b>	<b>32,943</b>	<b>23,584</b>	<b>129</b>	<b>122,224</b>
Additions	-	-	2,236	-	2,236
<b>At 31 August 2022</b>	<b>65,568</b>	<b>32,943</b>	<b>25,820</b>	<b>129</b>	<b>124,460</b>
<b>Amortisation</b>					
<b>At 31 August 2020</b>	<b>-</b>	<b>1,332</b>	<b>4,240</b>	<b>37</b>	<b>5,609</b>
Amortisation charge for the year	-	3,132	9,145	53	12,330
<b>At 31 August 2021</b>	<b>-</b>	<b>4,464</b>	<b>13,385</b>	<b>90</b>	<b>17,939</b>
Amortisation charge for the year	-	3,294	6,549	28	9,871
<b>At 31 August 2022</b>	<b>-</b>	<b>7,758</b>	<b>19,934</b>	<b>118</b>	<b>27,810</b>
<b>Net book value</b>					
<b>At 31 August 2022</b>	<b>65,568</b>	<b>25,185</b>	<b>5,886</b>	<b>11</b>	<b>96,650</b>
<b>At 31 August 2021</b>	<b>65,568</b>	<b>28,479</b>	<b>10,199</b>	<b>39</b>	<b>104,285</b>

The Group tests goodwill and other intangible assets with indefinite useful lives annually, or more frequently if circumstances indicate that the carrying amounts may have suffered an impaired loss.

The Group has one CGU (UK operations) for the year ended 31 August 2022 (2021: one CGU).

The Group has determined the recoverable amount of each cash-generating unit (CGU) from value-in-use calculations. The value-in-use calculations are based on cash flow projections derived from the most recent plans for the next four years as approved by management with a terminal growth rate from year five. The resultant cash flows are discounted using a pre-tax discount rate appropriate for the relevant cash-generating unit.

Goodwill acquired in business combinations is allocated at acquisition, or subsequent reorganisation, to the CGU that is expected to benefit from the business combination.

The carrying amounts comprise goodwill of £65,568,000 (2021: £65,568,000).

**Key assumptions used in value-in-use calculations and sensitivity to changes in assumptions**

**Projected future cash flows**

Sales volumes and growth rates for the next four years are derived from management estimates for the business in which the CGU operates.

**Growth rates used for periods beyond those covered by management's detailed plans**

Growth rates are derived from management estimates, which take into account the long-term nature of the industry and long-term growth in gross domestic product of the territories in which the CGU operates. For the purpose of impairment testing a conservative approach has been used based on a growth rate of 2.0% (2021: 2.0%) growth per annum.

**Discount rates applied to future cash flows**

Discount rates reflect current market assessments of the time value of money and the risks specific to the CGU and represent the return that investors would require for an investment with cash flows and risk profile equivalent to those of the CGU.

The Group's pre-tax weighted average costs of capital (WACC) of 11.0% (2021: 11.0%) has been used as the basis for determining the discount rates to be applied.

**Sensitivity analysis**

The Group has undertaken sensitivity testing on its calculations and concluded that no reasonably foreseeable change in key assumptions used in the impairment calculations would result in a significant impairment charge being recognised in the consolidated financial statements.

**15. Subsidiaries**

Details of the Company's subsidiaries are as follows:

**a) Subsidiary undertakings incorporated (and with place of business) in the England & Wales**

Name of undertaking	Company registration number	Nature of business	% equity interest	
			2022	2021
Registered office at The Point, 37 North Wharf Road, London W2 1AF:				
Atlas Holdco Limited (1) (2)	12427439	Holding company	100	100
Addison Lee Payments Limited (1)	11958940	Holding company	100	100
Atlas Bidco Limited	12427496	Holding company	100	100
Addison Lee Limited (1)	01205530	Private mini cab hire	100	100
Addison Lee Financing Limited (1)	08486652	Holding company	100	100
Addison Lee Group Limited (1)	08486720	Holding company	100	100
Addison Lee Services Limited (1)	07305923	Service company	100	100
Comcab (London) Limited (1)	06434912	Provider of ground transportation	100	100
Eventech Limited (1)	03229417	Rental of motor vehicles	100	100
Prestige Daily Rentals & Vehicle Solutions Limited	08933821	Dormant	100	100
Blueback Limited	06377529	Dormant	100	100
Professional IT (Logistics) Limited	03806233	Dormant	100	100
Seela Limited	08167525	Dormant	100	100
W1 Cars Limited	08048025	Dormant	100	100
Aptus Worldwide Limited	06325936	Dormant	100	100
Bodycove Limited	03292923	Dormant	100	100

**b) Subsidiary undertakings incorporated in rest of the world**

Name of undertaking	Country of incorporation and place of business	Nature of business	% equity interest	
			2022	2021
Registered offices at: Heritage Hall, Le Marchant Street, St Peter Port, Guernsey GY1 4JH.				
The Addison Lee Purpose Trust (3)	Guernsey	Purpose Trust	-	-
Addison Lee Insurance Limited	Guernsey	Insurance captive	100	100
Addison Lee Trustee Limited	Guernsey	Trustee company	100	100

- (1) The subsidiary companies set out above are exempt from the requirement for an audit for the year ended 31 August 2022 under section 479A of the Companies Act 2006 in respect of that year, as the ultimate parent company, Atlas Topco Limited, which has prepared audited consolidated accounts, is providing a guarantee under section 479C of the Companies Act 2006 in respect of that year, and all members of the companies above agree to the exemption of an audit for the year ended 31 August 2022.
- (2) The parent holds an equity interest directly in Atlas Holdco Limited. Equity interest in other subsidiary undertakings are held indirectly by the parent.
- (3) Except for the interests in The Addison Lee Purpose Trust where the Group is deemed to have control, all equity interests are held in ordinary shares.

**16. Investment in associate**

Details of the associated undertaking is as follows:

Name of undertaking	Country of incorporation and place of business	Nature of business	Class of shareholding	% equity interest	
				2022	2021
Haulmont Technology Limited	England & Wales	Software consultancy	Ordinary	30	30

Haulmont Technology Limited's services include assisting the Group in maintaining its primary booking and allocation platform.

	2022 £'000	2021 £'000
<b>Investment in associated undertakings</b>		
At beginning of year	742	897
Share of profit/(loss)	283	(5)
Dividends received	-	(150)
At end of year	<u>1,025</u>	<u>742</u>

All of the operations of the associate were continuing during the year.

**17. Inventories**

	2022 £'000	2021 £'000
Raw materials and consumables	<u>140</u>	<u>161</u>

Inventories held by the Group include, but are not limited to, spare automobile parts and repair equipment. The Group periodically reviews the value of items in inventory and writes off inventory based on its assessment of market circumstances and the general condition of the items.

## 18. Financial assets and financial liabilities

An overview of all financial instruments held by the Group is set out below, including details of each type of financial instrument, and the basis used to determine the fair value of the instruments, including judgements and estimation of uncertainty of fair value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;  
 Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (that is, derived from prices); and  
 Level 3: Inputs for the asset or liability that are not based on observable market data

The Group holds the following financial instruments:

	Notes	Fair value hierarchy	Assets at fair value through the P&L £'000	Financial assets at amortised cost £'000	Total £'000
<b>Financial assets</b>					
<b>2022</b>					
Other short-term financial assets	(a)	Level 2	12,182	-	12,182
Cash and cash equivalents	(b)		-	31,576	31,576
Trade and other receivables	(c)		-	27,575	27,575
			<u>12,182</u>	<u>59,151</u>	<u>71,333</u>
Total current			<u>12,182</u>	<u>59,151</u>	<u>71,333</u>
<b>2021</b>					
Other short-term financial assets	(a)	Level 2	11,449	-	11,449
Cash and cash equivalents	(b)		-	29,387	29,387
Trade and other receivables	(c)		-	19,151	19,151
			<u>11,449</u>	<u>48,538</u>	<u>59,987</u>
Total current			<u>11,449</u>	<u>48,538</u>	<u>59,987</u>

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

	Notes	Liabilities at fair value through the P&L	Financial liabilities at amortised cost	Total
Financial liabilities		£'000	£'000	£'000
<b>2022</b>				
Trade and other payables	(d)	-	26,602	26,602
Interest-bearing loans and borrowings	(e)	-	146,308	146,308
Right of use liabilities	19	-	18,944	18,944
		-	191,854	191,854
Total current		-	43,937	43,937
Total non-current		-	147,917	147,917
<b>2021</b>				
Trade and other payables	(d)	-	29,004	29,004
Interest-bearing loans and borrowings	(e)	-	133,353	133,353
Right of use liabilities	19	-	24,787	24,787
		-	187,144	187,144
Total current		-	49,948	49,948
Total non-current		-	137,196	137,196

**a) Other short-term financial assets**

The Addison Lee Purpose Trust has appointed Ravenscroft Cash Management Limited ("RCML") to act as investment manager. Under the terms of a discretionary portfolio management agreement, RCML is permitted to invest in a balanced portfolio of securities and money market instruments within the following investment limitations.

- Deposits with approved institutions – maximum maturity 3 months;
- Certificates of deposit issued by approved institutions – maximum maturity 1 year (QBE) and 2 years (Aviva); and
- Government securities and/or corporate bonds having a maximum maturity of 2 years and 1 year respectively where the issuer has a long-term credit rating no lower than AA by Standard and Poor's and/or Moody's Investors Service.

The Group's holdings in certificates of deposit form part of these portfolios. The Group manages these debt instruments on a fair-value basis in accordance with management policies, and also monitors the performance of the portfolio of investments on a fair value basis. These instruments are measured at fair value through profit and loss.

*These instruments are highly liquid and are readily convertible into known amounts of cash, which may be subject to some risk of change in value on early conversion.*

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Certificates of deposit	12,182	11,449

Certain investments including certificates of deposit, cash and cash equivalents and accrued investment income of Addison Lee Purpose Trust are subject to a security interest agreement in favour of the following party:

<i>Security held in favour of:</i>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Aviva Insurance Limited	-	16
QBE Insurance (Europe) Limited	9,684	9,592
	<u>9,684</u>	<u>9,608</u>

**b) Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank	28,025	26,057
Cash - insurance entities	3,551	3,330
Cash and cash equivalents	<u>31,576</u>	<u>29,387</u>

Cash - insurance entities are monies held by Addison Lee Purpose Trust and Addison Lee Insurance Limited which are subject to security interest agreements in favour of Aviva Insurance Limited, QBE Insurance (Europe) Limited and Credit Suisse AG as disclosed above and below.

Certain cash and cash equivalents of Addison Lee Insurance Limited are subject to a security interest agreement in favour of the following party:

<i>Security held in favour of:</i>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Credit Suisse AG	-	300
HSBC	186	-
	<u>186</u>	<u>300</u>

**c) Trade and other receivables**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Trade receivables	22,054	14,295
Allowance for expected credit losses	(2,605)	(1,781)
Net trade receivables	19,449	12,514
Other receivables, prepayments and accrued income	8,126	6,637
Total trade and other receivables	<u>27,575</u>	<u>19,151</u>

Trade receivables are non-interest bearing and are generally on terms of 30 days

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

	<b>Total</b>
<b>Allowance for expected credit losses</b>	<b>£'000</b>
<b>As at 31 August 2021</b>	1,781
Additional allowance during the year	824
<b>As at 31 August 2022</b>	<b>2,605</b>

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	<b>Expected credit loss rate 2022</b>	<b>Expected credit loss rate 2021</b>	<b>Carrying amount 2022</b>	<b>Carrying amount 2021</b>	<b>Allowance for expected credit losses 2022</b>	<b>Allowance for expected credit losses 2021</b>
	<b>%</b>	<b>%</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Not overdue	0.7	2.1	14,993	8,801	(109)	(187)
0 to 3 months overdue	11.6	18.6	4,952	4,790	(573)	(893)
3 to 6 months overdue	66.7	98.9	562	264	(375)	(261)
Over 6 months overdue	100.0	100.0	1,547	440	(1,547)	(440)
<b>Total</b>			<b>22,054</b>	<b>14,295</b>	<b>(2,605)</b>	<b>(1,781)</b>

**Classification as trade and other receivables, prepayments and accrued income**

Trade receivables are amounts due from customers for services performed in the ordinary course of the business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets if not, they are presented as non-current assets. The trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

**Fair values of trade and other receivables**

Due to short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

**Impairment and risk exposure**

Information about the impairment of trade and other receivables, their credit quality and the Group's exposure to credit risk and interest rate risk can be found in note 20.

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

**d) Trade and other payables**

<b>Amounts due within one year</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Trade payables	2,334	3,492
Payroll tax and other statutory liabilities	7,817	6,092
Other payables, accruals and deferred income	16,451	19,420
	<u>26,602</u>	<u>29,004</u>

Trade creditors are non-interest bearing and are normally settled within 30 to 45 days. Other liabilities are non-interest bearing and have an average term of less than six months.

The carrying amounts of trade payables are assumed to be the same as their fair values, due to their short-term nature.

**e) Interest bearing loans and borrowings**

Borrowings are repayable as follows:

	<b>Bank loans</b>	<b>Sub-ordinated debt</b>	<b>Hire purchase/finance lease obligations</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>2022</b>				
Current	10,213	-	-	10,213
Between one and five years	55,918	80,177	-	136,095
Total borrowings	<u>66,131</u>	<u>80,177</u>	<u>-</u>	<u>146,308</u>
Current	10,213	-	-	10,213
Non-current	<u>55,918</u>	<u>80,177</u>	<u>-</u>	<u>136,095</u>
<b>2021</b>				
Current	8,517	-	1,344	9,861
Between one and five years	50,214	-	568	50,782
After more than five years	-	72,710	-	72,710
Total borrowings	<u>125,622</u>	<u>72,710</u>	<u>1,912</u>	<u>133,353</u>
Current	8,517	-	1,344	9,861
Non-current	<u>50,214</u>	<u>72,710</u>	<u>568</u>	<u>123,492</u>

Bank loans

*Term Loan A*

Bank borrowings are secured over the assets of the Group. The Group has £46.0m borrowings that are payable in 31 March 2024 at an annual interest of 10%.

On 9 December 2021 the £8.5m factoring loan was transitioned to a new £12.5m facility of which £10.2m was drawn as at 31 August 2022.



Subordinated debt

The Directors consider that given the nature, substance and repayment terms of Term Loan B and Priority Shares (subordinated debt), these should be treated as quasi equity to better understand the financial position of the Group and considering that redemption of these borrowings is only expected as part of the Exit Waterfall specified in the Restructuring Implementation Deed dated 25 August 2020.

*Term Loan B*

The Group has £100.0m borrowings that are payable in 22 March 2027 at an annual interest rate of 1.5%.

On 25 August 2020, the terms of £100m of bank debt were amended to reduce the loan interest rate from 8%, which was agreed on acquisition on 23 March 2020, down to 1.5%. IFRS requires this modification to be accounted for as a derecognition of the original £100m loan and recognition of a new £100m loan at fair value. The fair value of the new loan was estimated using a discount rate of 10% per annum, which resulted in a gain of £42m. As this was a transaction with the group's investors, this gain was recognised directly in equity. Interest will be recognised in profit and loss in future periods at 10% calculated on the book value of the bank loan so that loan increases to £100m (plus the accrued 1.5% per annum PIK interest) as at 22 March 2027. In the current year £5.3m interest was recognised in finance costs (2021: £4.6m).

*Priority shares*

L Griffin holds £5m priority shares in Atlas Topco Limited. These accrue interest at 10% per annum. As there is no fixed redemption date for the priority shares and as they rank pari passu with the £100m debt referred to above, the priority shares are disclosed as due between one and five years.

Hire purchase/finance lease obligations

Assets acquired under hire purchase/finance lease contracts secured by the lessor's title to the leased assets.

**Risk exposures**

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 20.

**19. Right of use liabilities**

Right of use liabilities primarily relate to operating lease arrangements accounted for under IFRS 16. The liabilities relate primarily to vehicle and property leases. The maturity profile of right of use liabilities is shown below. The corresponding right of use assets are disclosed in note 13.

**Maturities of right of use liabilities**

	<b>Within 1 year</b>	<b>Between 1 and 5 years</b>	<b>After 5 years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 31 August 2022	7,123	9,961	1,860	18,944
At 31 August 2021	11,083	9,678	4,026	24,787

## **20. Financial risk management**

For the year ended 31 August 2022, Group's main exposures to financial risk have arisen due to:

- Credit risk resulting from the creditworthiness of both its customer base and of the banks which cash deposits have been placed.
- Interest rate and liquidity risk arising from the debt funding

Financial risks are managed in line with the objectives and processes laid down by the Group.

### **Foreign exchange – market risk**

Foreign exchange risk is considered immaterial given predominantly all receivable and payable transactions are denominated in functional currency.

### **Interest rate – market risk**

The Group's interest rate risk is not material as the Group's borrowings are at fixed interest rates.

### **Credit risk**

Credit risk exists due to the possibility of the counterparty default between the date of asset recognition and date of settlement and arises on:

- Trade receivables owed by the Group's customers;
- Cash and cash equivalents deposited at banks; and
- Unsettled in the money derivative financial instruments

Credit risk is managed primarily by the Group's credit control staff members, who assess creditworthiness and allocate credit limits based on information available from independent credit reference agencies together with past and current collections experience. The customer base is well diversified and there is no significant concentration of risk.

Cash deposits are held only with high grade banks and financial institutions.

### **Impairment factors**

The Group assesses annually whether there is any evidence of impairment based on whether any of the following indicators are present:

- Default event, or financial difficulties suggestive that a default event is probable
- Significant delinquency in payments for any other reason

### **Liquidity risk**

The Group's main liquidity risk arises from the maturity of its borrowings. Management agrees an annual funding and liquidity plan as part of the Group's annual budget, designed to ensure that the Group maintains a prudent liquidity buffer at all times and cash flow forecasts are regularly monitored against plans and budgets.

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into groupings based on their contractual maturity dates:

	Within 1 year	Between 1 and 5 years	After 5 years	Total
	£'000	£'000	£'000	£'000
<b>At 31 August 2022</b>				
Trade and other payables	26,602	-	-	26,602
Interest-bearing loans and borrowings	10,213	136,095	-	146,308
	<u>36,815</u>	<u>136,095</u>	<u>-</u>	<u>172,910</u>
	Within 1 year	Between 1 and 5 years	After 5 years	Total
	£'000	£'000	£'000	£'000
<b>At 31 August 2021</b>				
Trade and other payables	29,004	-	-	29,004
Interest-bearing loans and borrowings	9,861	50,782	72,710	133,353
	<u>38,865</u>	<u>50,782</u>	<u>72,710</u>	<u>162,357</u>

**21. Provisions**

	Total
	£'000
<b>As at 31 August 2021</b>	15,559
Utilisation	(464)
Release of prior year provision	(128)
<b>As at 31 August 2022</b>	<u>14,967</u>

Provisions relates to estimated amount to settle known and unknown claims in relation to motor insurance, employment, legal and other matters.

**22. Share capital**

Allotted, called up and fully paid	2022 £'000	2021 £'000
9,350,000,000 'A' ordinary shares of £0.000001 each	9	9
1,573,000,000 'B1' ordinary shares of £0.000001 each	2	2
50,050,000 'B2' ordinary shares of £0.000001 each	-	-
23,097,327 'B3' ordinary shares of £0.000001 each	-	-
1,456,876 'C1' ordinary shares of £0.000001 each	-	-
8,000,000 'C2' ordinary shares of £0.000001 each	-	-
	<u>11</u>	<u>11</u>

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022**

*Ordinary share rights*

Dividend and distribution rights noted below are pursuant to the articles of association.

Class of ordinary shares	Voting rights	Dividend rights	Distribution rights	Redeemable
'A'	Full	After priority shares, 'C1' and 'C2'	After priority shares, 'C1' and 'C2'	No
'B1'	Full	After priority shares, 'C1' and 'C2'	After priority shares, 'C1' and 'C2'	No
'B2'	May have <sup>1</sup>	After priority shares, 'C1' and 'C2'	After priority shares, 'C1' and 'C2'	No
'B3'	None	After priority shares, 'C1' and 'C2'	After priority shares, 'C1' and 'C2'	No
'C1'	None <sup>2</sup>	Pari passu with priority shares	Pari passu with priority shares	No
'C2'	None <sup>2</sup>	Pari passu with priority shares	Pari passu with priority shares	No

<sup>1</sup>Pursuant to the articles of association.

<sup>2</sup>Except for in respect of a variation in class rights of the shares.

*Share premium*

Of the 8,500,000 ordinary 'A' shares issued on 27 August 2020, 6,375,000,000 were issued for £10,000,000 giving rise to a share premium of £9,993,625.

In addition to the share premium account disclosed on the face of the consolidated statement of financial position, there is a further share premium account of £130.6m which principally arose on shares issued to extinguish pre-acquisition debt. This premium is not recognised in the financial statements as in accordance with IFRS, the issue of shares has been accounted for at fair value.

*Priority shares*

On 23 March 2020, the company issued 5,000,000 priority shares for cash consideration of £5,000,000. Priority shares have no voting rights, except for in respect of a variation of class rights of the shares. Dividend and distribution rights are pari passu with 'C1' and 'C2' ordinary shares. Priority shares are redeemable at the option of the company.

Priority shares are shown as part of borrowings, see note 18(e).

**23. Capital commitments**

Amounts contracted for but not provided in the financial statements:

	2022 £'000	2021 £'000
Motor vehicles	7,300	-

## **24. Related party transactions**

The following are transactions with related parties engaged by the Group during the year and the balances outstanding at the balance sheet date:

### **Transactions with associated undertaking:**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Haulmont Technology Limited</b>		
Sales to the Group	(2,159)	(1,618)
Balance payable by the Group	-	(156)
Dividend received	<u>-</u>	<u>150</u>

### **Transactions with Directors**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Priority shares - L Griffin</b>		
Interest bearing payable balance	(5,000)	(5,000)
Cumulative Interest accrued	<u>(1,437)</u>	<u>(819)</u>

### **Compensation of key management personnel of the Group**

The key management of the Group are the Directors.

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Directors emoluments	1,995	1,787
Social security costs	285	240
Contributions to defined contribution schemes	24	24
	<u>2,304</u>	<u>2,051</u>

Above directors' emoluments are in relation to the cost recognised for services provided during the year ended 31 August 2022 and includes base salary, accrued bonus, pension, gym and car allowances.

In the prior year, excluded from the figures shown, directors were also compensated for deferred and contingent emoluments of £259,000 (£107,000 for the highest paid director shown below) including social security costs, recognised in exceptional items (note 7).

Remuneration disclosed above includes the following amounts paid to the highest paid Director as follows:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Directors emoluments	778	696
Social security costs	112	94
	<u>890</u>	<u>790</u>

## **25. Controlling party**

At the balance sheet date, the ultimate parent undertaking and controlling party was Cheyne European Strategic Value Credit S.a.r.l 3, a company incorporated in Luxembourg.

## **26. Events after the Balance Sheet Date**

In November 2022 it was agreed to extend the tenor on the Senior Facility of £46m from March 2024 to March 2025.

This change was completed on 26 January 2023.

## **27. Business combinations**

On 12 July 2021, Comcab (London) Limited (previously Project Tristar Limited) acquired the business and assets of Computer Cab plc (ComCab) and certain assets of Cityfleet Network Limited (CityFleet) for total consideration of £3,000,000.

Of the consideration noted above, £2,000,000 (present value: £1,689,000) was deferred. Deferred consideration of £1,000,000 was paid on 12 July 2022 and £1,000,000 is payable on 12 July 2023.

The table sets out the final fair values to the Group in respect of the acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed:

	<b>Fair value £'000</b>
Property, plant and equipment	1,115
Deferred tax	(185)
Net identifiable assets acquired	<u>930</u>
Intangible assets – Brands	970
Goodwill arising on acquisition	<u>789</u>

The goodwill recognised includes synergies expected to be achieved from the operations of combined businesses, access to customers, drivers and suppliers, brand awareness, and intangible assets that do not qualify for separate recognition. Expected synergies include the cost savings from planned integration of booking platform, facilities, personnel and systems.

**Atlas Topco Limited**  
**Company Statement of Financial Position**  
**As at 31 August 2022**

	Notes	2022 £'000	2021 £'000
<b>Current assets</b>			
Debtors	4	<u>16,442</u>	<u>15,824</u>
		16,442	15,824
<b>Creditors:</b>			
Amounts falling due after more than one year	5	(6,437)	(5,819)
<b>Net assets</b>		<u>10,005</u>	<u>10,005</u>
<b>Capital and reserves</b>			
Called up share capital	6	11	11
Share premium account		<u>9,994</u>	<u>9,994</u>
<b>Total shareholder's funds</b>		<u>10,005</u>	<u>10,005</u>

**Parent Company Statement of Profit and Loss for the year ended 31 August 2022.**

No profit and loss account is presented for Atlas Topco Limited as permitted under section 408 of the Companies Act 2006. The parent company's loss for the year ended 31 August 2022 is £nil (2021: £nil).

The financial statements were approved by the board of Directors on 28 February 2023 and signed on its behalf by:



**P B Suter**  
**Director**

Company Registration No. 12427320

**Atlas Topco Limited**  
**Company Statement of Changes in Equity**  
**As at 31 August 2022**

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	<b>Issued share capital</b>	<b>Share premium</b>	<b>Retained profit</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 31 August 2020</b>	<b>11</b>	<b>9,994</b>	<b>-</b>	<b>10,005</b>
Profit for the year			-	-
<b>At 31 August 2021</b>	<b>11</b>	<b>9,994</b>	<b>-</b>	<b>10,005</b>
Profit for the year			-	-
<b>At 31 August 2022</b>	<b>11</b>	<b>9,994</b>	<b>-</b>	<b>10,005</b>



**1. Authorisation of financial statements and statement of compliance with FRS101**

The parent company financial statements of Atlas Topco Limited (the "company") for the year ended 31 August 2022 were authorised for issue by the board of Directors on 28 February 2023, and the balance sheet was signed on the board's behalf by P B Suter. Atlas Topco Limited is a private company incorporated and domiciled in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards.

The financial statements are prepared under the historical cost convention. The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented an income statement or a statement of comprehensive income for the Company.

The accounting policies of the Company follow the Group policies which are set out on pages 18 to 28 of the consolidated financial statements. The financial statements are prepared in British Pound Sterling and are rounded to the nearest thousand pounds (£000).

**2. Accounting policies**

**Basis of preparation**

The accounting policies which follow have been applied in preparation of the financial statements for the year. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of paragraphs 62 B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS3 *Business Combinations*
- The requirements of IFRS 7 *Financial Instruments: Disclosures*
- The requirement of paragraph 91-99 of IFRS 13 *Fair Value Measurement*
- The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of Paragraph 79(a)(iv) of IAS 1;
- The requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 *Presentation of Financial Statements*
- The requirements of IAS 7 *Statement of Cash Flows*
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- The requirements of paragraph 17 of IAS 24 *Related Party Disclosures*
- The requirements in IAS 24 *Related Party Disclosures* to disclose related parties transactions entire into between two or more members of the Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member (Group)
- The requirements of paragraph 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*

**Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts report for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details are set out in the consolidated financial statements.

**3. Employees**

The company did not engage any employees and did not incur any employment related costs during the year (2021: none).

**4. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due from group undertakings	16,442	15,824
	<u>16,442</u>	<u>15,824</u>

**5. Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Priority shares	6,437	5,819
	<u>6,437</u>	<u>5,819</u>

The above figure includes £1,437k interest accrued (2021: £819k). Further details are disclosed in note 18 (e) to the consolidated financial statements.

**6. Share capital**

<b>Allotted, called up and fully paid</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
9,350,000,000 'A' ordinary shares of £0.000001 each	9	9
1,573,000,000 'B1' ordinary shares of £0.000001 each	2	2
50,050,000 'B2' ordinary shares of £0.000001 each	-	-
23,097,327 'B3' ordinary shares of £0.000001 each	-	-
1,456,876 'C1' ordinary shares of £0.000001 each	-	-
8,000,000 'C2' ordinary shares of £0.000001 each	-	-
	<u>11</u>	<u>11</u>

Details of share rights are set out in note 22 of the consolidated financial statements.

**7. Related party transactions**

The Company has taken advantage of exemptions not to disclose transactions with entities wholly owned by the group headed by Atlas Topco Limited.

**Key management**

The key management of the Company are its Directors. No Director received any emoluments in relation to services provided to the Company. See note 24 in the consolidated financial statements.

**8. Controlling parties**

At the balance sheet date, the ultimate parent undertaking and controlling party was Cheyne European Strategic Value Credit S.a.r.l 3, a company incorporated in Luxembourg.

**9. Contingent liabilities**

Atlas Topco Limited has given a guarantee under section 479C of the Companies Act to its subsidiary undertakings to the consolidated financial statements, to allow for the subsidiary undertakings to claim exemption, under section 479A of the Companies Act, from delivering audited individual statutory accounts. Further details are disclosed in note 15 of the consolidated financial statements.

A guarantee given under 479C of the Companies Act has the effect that the Company guarantees all outstanding liabilities to which the subsidiary undertaking is subject as at 31 August 2022 until they are satisfied in full.