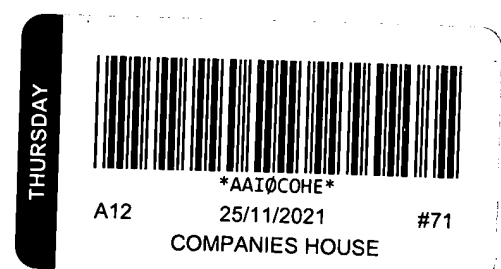


Fleet Hire Holdings Limited

Company number 06299550

Annual Report and Financial Statements - 30 June 2021



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Directors	Robert Blau Kevin Wundram David Fernandes Peter Davenport
Company secretaries	Andrew Webb Tawanda Mutengwa
Company number	06299550 (England and Wales)
Registered office	Station Court, Old Station Road Hampton In Arden Solihull West Midlands, B92 0HA
Auditor	KPMG LLP One Snowhill Snow Hill Queensway Birmingham West Midlands, B4 6GH
Website	www.sgfleet.com/uk/

The directors present their strategic report on the company for the year ended 30 June 2021.

Principal activities

During the financial year the principal activities of the company consisted of holding an investment in its subsidiary.

The principal continuing activities of the company's subsidiary consisted of motor vehicle fleet management, vehicle leasing, short-term hire and associated activities.

Review of operations

Turnover and pre-tax profit for the year was £nil (2020: £800,000). These represent dividends received from the company's subsidiary SG Fleet Solutions UK Limited.

The reduction in dividends in the 2021 financial year compared to the 2020 financial year was linked to the COVID-19 pandemic. The board of SG Fleet Solutions UK Limited, a subsidiary of Fleet Hire Holdings Limited decided that no dividends would be paid during the financial year due to the uncertainty and potential impact that the pandemic may have.

Current trading and outlook

The company's subsidiary continues to operate in a challenging economic and political environment linked to Brexit and the COVID-19 pandemic.

The effects on the UK, European and Global economies following the UK's exit from the European Union ('EU') and the impact of the EU-UK Trade and Cooperation agreement signed on 30 December 2020 (the 'EU-UK TCA') will only be known over the longer term. To date, the company's trading subsidiary has seen no significant impacts on business and trading as a result of the exit, but this exit combined with the COVID-19 Pandemic did add another challenge to the UK Operating Environment for UK based companies, including the subsidiaries customers. However, the company's subsidiary has a diverse, wide-ranging customer base, a large panel of funders and a large maintenance and dealer network that they work with, so the subsidiary is not reliant on any one particular business, sector or partner to deliver the services. The directors are confident this mix of customers and supply partners will help support the company's subsidiary through any period of uncertainty that may arise over the longer term.

The company retains the full backing and support of its parent which is a large business listed on the Australian Securities Exchange, with approximately 90% of its global revenue/profit generated from the southern hemisphere. As such the financial stability of SG Fleet group is unlikely to be significantly affected by any longer-term impacts of Brexit, and SG Fleet UK is well placed to adapt to any economic uncertainty without the pressure of a financially compromised parent company.

The impact of the COVID-19 pandemic is ongoing, albeit the UK as at the end of June 2021 had returned to some level of normality with UK wide restrictions having been lifted. The pandemic and associated restrictions had the following impacts on the company's operating subsidiary up to 30 June 2021:

- average new vehicle delivery lead times increased through the year due to manufacturers reducing the level of production as a result of supply chain challenges they are facing (semi-conductor chip shortages);
- an increase in the number of extensions being processed as customers look to retain the vehicles they have while waiting for new vehicles to be delivered;
- increasing demand for short term hire vehicles as part of customers managing the new vehicle lead time challenges;
- initial signs of an increase in supply chain costs for tyres and vehicle parts due to inflationary pressures within the UK and global economies; and
- a reduction in the levels of stock available for disposal as customers holds onto vehicles for longer, offset by increasing used vehicle prices being achieved as demand for used vehicles outstrips supply.

The company's subsidiary received a £118,076 grant from the UK Government in relation to furloughed employees. Other than the Furlough scheme, no other Government financial support was utilised. During the financial year, the company's subsidiary refunded, on a voluntary basis, the 2020 grant of £118,076 received from the UK Government with respect to support for furloughed employees. All payroll taxes, value added tax and corporation tax liabilities were paid as they fell due and no COVID-19 business support loans were received.

Despite the uncertainty of Brexit and the COVID-19 pandemic the company remains confident that its subsidiary, SG Fleet Solutions UK Limited can continue to retain, win and grow market share in its focused business channels.

People

The company and its subsidiary's ultimate success would not have been possible without its people. The directors and staff continue to be focused, loyal and dedicated to providing high levels of customer service.

Key performance indicators

The company is a holding company comprising of mainly investment in its subsidiary, therefore the profitability of the subsidiary is the company's key performance indicator.

Principal risks and uncertainties

The management of the company and its subsidiary are subject to a number of risks which could adversely affect their future development. The following is not an exhaustive list or explanation of all risks and uncertainties associated with the group, but those considered by management to be the principal risks:

Global Economy and the COVID-19 pandemic

The World Health Organisation declared COVID-19 as a pandemic in March 2020. The pandemic has and continues to cause significant disruption to businesses and world economics with Governments placing restrictions on the movement of individuals and trade. Following a successful vaccination program in the UK, the majority of restrictions were lifted in July 2021.

The company's subsidiary performance is subject to global and UK economic conditions, which included the impact of the COVID-19 pandemic. Deterioration in these conditions may reduce consumer spending. Adverse economic changes in any of the regions in which the company operates could reduce consumer confidence and could negatively affect sales and have an adverse effect on the subsidiary's operating results and financial condition. The impact of the COVID-19 pandemic to date are noted in the 'current trading and outlook' section above.

Competitive risks

Whilst the market the company's subsidiary operates in is highly competitive, the company's subsidiary is able to differentiate with its broad product range and by offering both short and long-term solutions across car, van and truck fleets which set it apart from its competitors. The company's subsidiary has also developed a reputation for offering bespoke propositions that add operational and financial efficiencies for clients.

Compliance risks

Some of the products offered by the company's subsidiary are covered by government or industry regulation. The company's subsidiary has committed resources, through a dedicated compliance manager and legal counsel which supports maintaining compliance with these requirements currently and in the future. The company's subsidiary has policies and procedures in place, mandatory employee training is carried out and formal risk committee meetings are held to discuss risk and compliance within the business.

Economic and political climate

The current economic and political climate the company's subsidiary operates within is challenging with a number of uncertainties and market forces in play. The company's subsidiary benefits from the fact that a large part of the revenue is contracted with the average contract lengths ranging from 2 to 5 years. The company's subsidiary has regular recurring revenues from the existing assets in place with customers. The company's subsidiary does not have any overreliance on any particular business sector and is able to continue operating successfully in the current climate.

Brexit

Brexit was the withdrawal of the UK from the European Union ('EU'). The withdrawal agreement was ratified by the UK on 23 January 2020 and by the EU on 30 January 2020; it came into force on 31 January 2020. An EU-UK Trade and Cooperation Agreement ('the EU-UK TCA') was signed on 30 December 2020. The company's operating subsidiary put plans in place prior to the departure in order to mitigate any disruption it may have caused. Although Brexit remains on the operating subsidiary's risk register and is discussed at both the Board and Risk Committee meetings, the immediate risks and uncertainties identified prior to exit which may have resulted in business impact did not come to fruition. The longer-term impacts on the subsidiary's relationships with existing and future customers, suppliers and employees however are yet to be seen and we will continue to monitor this closely. To date, the company has not seen any significant adverse effect on the subsidiary, SG Fleet Solutions UK Limited business, financial results or operations.

Exposure to price, credit and liquidity risk

The company's subsidiary is not exposed to any significant price risk.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's subsidiary has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company's subsidiary obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any guarantees obtained and provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company's subsidiary, SG Fleet Solutions UK Limited, has a dedicated account management team that builds relationships with its clients and offers a consultative approach to the way it delivers effective solutions to its clients. There is no over-reliance in terms of specific customers or geographical areas.

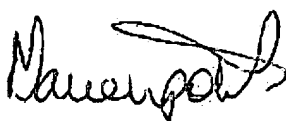
Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash at bank and in hand) and available borrowing facilities to be able to pay debts as and when they become due and payable. The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Residual value risks

The company's subsidiary sets future residual values on a prudent basis utilising a number of industry standard tools to effectively predict future residual values. Periodic tests are completed to ensure that the predicted values set are in line with expectations.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Peter Davenport
Director

11 November 2021

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2021.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Robert Blau
Kevin Wundram
David Fernandes
Peter Davenport

Principal activities

The principal activities of the company and its subsidiary are detailed in the strategic report.

Dividends

Dividends paid during the financial year were as follows:

	2021 £	2020 £
Dividend for the year ended 30 June 2020 of £17.50 per ordinary share and A Class ordinary share	-	700,000

Review of operations

The profit for the company after providing for income tax amounted to £nil (30 June 2020: £800,000).

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and financial position are given in the strategic report and in this report.

The financial statements have been prepared on a going concern basis. Forecast cash flows of the company and the company's trading subsidiary, SG Fleet Solutions UK Limited approved by management show positive cash flows into the future.

The directors have, at the time of approving the financial statements, a reasonable expectation that the company will have adequate resources to continue in business for at least 12 months from the approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Refer to note 2 of the financial report for further details on going concern and the basis of preparation.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Disabled employees

The company gives full consideration to employment applications from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Indemnity of directors

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

Disclosure of information to the auditors

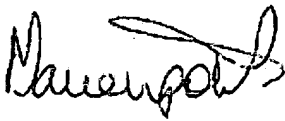
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Peter Davenport
Director

11 November 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEET HIRE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Fleet Hire Holdings Limited ("the company") for the year ended 30 June 2021 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make

inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Alain de Braekeleer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

11 November 2021

Fleet Hire Holdings Limited
Profit and loss account
For the year ended 30 June 2021

SG Fleet Group

	Note	2021 £	2020 £
Revenue	4	-	800,000
Profit before income tax expense		-	800,000
Income tax expense	6	-	-
Profit after income tax expense for the year attributable to the owners of Fleet Hire Holdings Limited	11	-	800,000
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Fleet Hire Holdings Limited		-	800,000

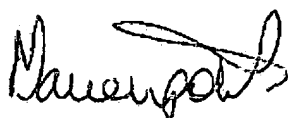
The above profit and loss account should be read in conjunction with the accompanying notes

Fleet Hire Holdings Limited
Balance sheet
As at 30 June 2021

SG Fleet Group

	Note	2021 £	2020 £
Non-current assets			
Investment in subsidiary	7	8,146,206	8,146,206
Total non-current assets		<u>8,146,206</u>	<u>8,146,206</u>
Current assets			
Receivables from related parties	8	3,386,502	3,386,502
Total current assets		<u>3,386,502</u>	<u>3,386,502</u>
Current liabilities			
Trade and other payables		3	3
Payables to related parties	9	7,640,000	7,640,000
Total current liabilities		<u>7,640,003</u>	<u>7,640,003</u>
Net current liabilities		<u>(4,253,501)</u>	<u>(4,253,501)</u>
Total assets less current liabilities		<u>3,892,705</u>	<u>3,892,705</u>
Net assets		<u>3,892,705</u>	<u>3,892,705</u>
Equity			
Share capital	10	46,400	46,400
Share premium account		3,365,156	3,365,156
Capital redemption reserve		3,244	3,244
Retained earnings	11	477,905	477,905
Total equity		<u>3,892,705</u>	<u>3,892,705</u>

The financial statements of Fleet Hire Holdings Limited (company number 6299550) were approved by the directors and authorised for issue on 11 November 2021.



Peter Davenport
 Director

11 November 2021

The above balance sheet should be read in conjunction with the accompanying notes

Fleet Hire Holdings Limited
Statement of changes in equity
For the year ended 30 June 2021

SG Fleet Group

	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total equity £
Balance at 1 July 2019	46,400	3,365,156	3,244	377,905	3,792,705
Profit after income tax expense for the year	-	-	-	800,000	800,000
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	800,000	800,000
<i>Transactions with owners in their capacity as owners:</i>					
Dividends paid (note 12)	-	-	-	(700,000)	(700,000)
Balance at 30 June 2020	<u>46,400</u>	<u>3,365,156</u>	<u>3,244</u>	<u>477,905</u>	<u>3,892,705</u>
	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total equity £
Balance at 1 July 2020	46,400	3,365,156	3,244	477,905	3,892,705
Profit after income tax expense for the year	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2021	<u>46,400</u>	<u>3,365,156</u>	<u>3,244</u>	<u>477,905</u>	<u>3,892,705</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Fleet Hire Holdings Limited ('the company') as an individual entity. The financial statements are presented in Pound sterling, which is Fleet Hire Holdings Limited's functional and presentation currency.

Fleet Hire Holdings Limited is a company limited by shares, registered, incorporated and domiciled in England in the United Kingdom. Its registered office and principal place of business is:

Station Court, Old Station Road
Hampton In Arden
Solihull
West Midlands, B92 0HA

A description of the nature of the company's operations and its principal activities are included in the strategic report.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 November 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements of the company have been prepared on a going concern basis, reflecting the directors' considerations of the outlook for the company for at least 12 months from the approval of these financial statements.

The company's business activities, together with the factors likely to affect its future development, performance and financial position are described in the strategic report and in this report.

The going concern basis of preparation is considered appropriate as:

- whilst the ongoing impact of the COVID-19 pandemic remains uncertain, as are the outcomes, the financial position of the company remains strong. The company's UK parent (SG Fleet UK Holdings Limited) retains access to the syndicated loan facilities of the wider SG Fleet Group, which are not due to mature in the immediate future;
- despite the impact of COVID-19, the company's operating subsidiary remained profitable for the year ended 30 June 2021; and
- the forecasts prepared by the directors, which cover more than 12 months from the date of the approval of the financial statements, indicate continuing profitability and solvency for the company, driven by the forecast performance of its trading subsidiary. The directors have considered severe but plausible scenarios which continue to indicate that the company will be able to continue to operate and meet its liabilities as they fall due.

In addition, the company is within the SG Fleet Group Limited group which is an Australian public listed company with consolidated net assets of A\$378 million (2020: A\$270 million), positive operating cash flows of A\$116 million (2020: A\$78 million) and cash and cash equivalents as at 30 June 2021 of A\$231 million (2020: A\$111 million). In the event of the performance of the company being significantly worse than the severe but plausible scenarios, SG Fleet Group Limited has expressed its willingness to provide support to the company in order that it can continue to trade for at least 12 months from the approval of these financial statements.

As at 30 June 2021, Fleet Hire Holdings Limited has net current liabilities of £4,253,501 (2020: £4,253,501), although net assets total £3,892,705 (2020: £3,892,705). This net liability position arises due to the classification of the company's liabilities to its immediate parent, SG Fleet UK Holdings Limited, which are categorised as current liabilities under accounting standards. In the event that the parent company were to recall the outstanding amounts due, the directors of SG Fleet Group Limited have indicated their willingness to provide support to the company in order that it can continue to trade for at least 12 months from the approval of these financial statements

Note 2. Significant accounting policies (continued)

SG Fleet UK Holdings Limited, the UK parent of the company, has borrowings drawn from the group syndicated loan facility. In the event of default, the counterparty to the loan may recall amounts due. The directors have assessed the covenants over the loan (which is not due to mature within 12 months from the approval of these financial statements) and have not identified any indication that these may be breached causing the loan to be recalled.

The directors have, at the time of approving the financial statements, a reasonable expectation that the company will have adequate resources to continue in business for at least 12 months from the approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements, and have concluded that there is no material uncertainty in respect of this.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006.

As permitted by FRS 101, the company has taken advantage of all of the disclosure exemptions available to it, including (where applicable): statement of cash flows and related notes; new Accounting Standards and Interpretations not yet mandatory; presentation of comparative information for certain assets; impairment of assets; capital risk management; financial instruments; fair value measurement; key management personnel; related party transactions; business combinations; and share-based payments.

The company is controlled by SG Fleet UK Holdings Limited, a company registered in England and Wales, which owns the entire share capital of the company. The ultimate parent entity is Super Group Limited, incorporated in South Africa and listed on the Johannesburg Stock Exchange. SG Fleet Group Limited is the immediate consolidating entity of Fleet Hire Holdings Limited. The financial report of SG Fleet Group Limited is available at <http://investors.sgfleet.com>.

The company has taken advantage of the exemption from preparing consolidated financial statements under section 401 of the Companies Act 2006, as its results are included in the SG Fleet Group Limited consolidated financial statements. Refer to note 15 for further information.

Historical cost convention

The financial statements have been prepared under the historical cost convention and under the going concern assumption.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

Dividends

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividends.

Income tax

Tax on the profit or loss for the year comprises the current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Note 2. Significant accounting policies (continued)

Deferred tax is provided on temporary differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following temporary differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of fixed asset if and when all conditions for retaining the tax allowances have been met to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the temporary difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the reporting date.

Unrealised tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Investment in subsidiary

Investment in subsidiary is accounted for at cost less any accumulated impairment losses.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Investment in subsidiary

Determining whether the company's investment in subsidiary has been impaired requires estimations of the investment's value in use. The value in use calculations require the company to estimate the future cash flows expected to arise from the investment and suitable discount rates in order to calculate the present value. The carrying amount of investment in subsidiary is disclosed in note 7. No impairment loss is recognised for the year ended 30 June 2021 or 30 June 2020. A 10% decrease in the future cash flows generated by the trading subsidiary, SG Fleet Solutions UK Limited would still leave material headroom within the impairment calculation and would not result in an impairment of the company's investment.

Note 4. Revenue

	2021 £	2020 £
Dividends	-	800,000

Analysis of turnover by geography

Turnover and profit before tax are wholly attributable to the principal activities of the company in the United Kingdom.

Note 5. Average number of employees

The average number of employees during the year was as follows:

	2021	2020
Directors	4	4

The directors received no remuneration from the company.

Note 6. Income tax

	2021 £	2020 £
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	-	800,000
Tax at the statutory tax rate of 19%	-	152,000
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-taxable dividends	-	(152,000)
Income tax expense	-	-

Note 7. Investment in subsidiary

	2021 £	2020 £
<i>Non-current assets</i>		
Shares in subsidiary - at cost	8,146,206	8,146,206

Refer to note 16 for further information on investment in subsidiary.

Note 8. Receivables from related parties

	2021 £	2020 £
<i>Current assets</i>		
Amounts due from group undertaking	3,386,502	3,386,502

The amounts due from group undertakings are receivable from SG Fleet Solutions UK Limited.

Note 9. Payables to related parties

	2021 £	2020 £
<i>Current liabilities</i>		
Amounts due to group undertaking	<u>7,640,000</u>	<u>7,640,000</u>

The amounts due to group undertakings are payable to SG Fleet UK Holdings Limited.

Note 10. Share capital

	2021 Shares	2020 Shares	2021 £	2020 £
Ordinary shares of £1 each - authorised, issued and fully paid	26,000	26,000	26,000	26,000
A Class ordinary shares of £1 each - authorised, issued and fully paid	14,000	14,000	14,000	14,000
B Class ordinary shares of £ 0.01 each - authorised, issued and fully paid	<u>640,000</u>	<u>640,000</u>	<u>6,400</u>	<u>6,400</u>
	<u>680,000</u>	<u>680,000</u>	<u>46,400</u>	<u>46,400</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. Dividends may be declared with the consent of the A Class ordinary shareholders.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

A Class ordinary shares

A Class ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. A Class shares have priority over ordinary shareholders in relation to any amount paid for the shares including any premium.

On any resolution proposed as a special resolution, the holders of A Class ordinary shares present in person, or by proxy or by corporate representative shall have three votes. At any time of a Default Event, the holders of A class ordinary shares shall have two votes.

B Class ordinary shares

B Class ordinary shares entitle the holder to receive notice of, and attend and speak at, a general meeting of the company. B Class ordinary shares do not have any voting rights. B Class shares shall not be entitled to receive any dividends. In the event of winding up the holders of B Class shares are only entitled to the original capital and not entitled to a distribution of the assets.

On any resolution proposed as a special resolution, the holders of B Class shares present in person, or by proxy or by corporate representative shall have one vote. At any time of a Default Event, the holders of B Class shares shall have one vote.

Other

The above summary of rights and principal features of each class of share cannot adequately provide the information necessary to understand the commercial effect of the instruments. Full details are available in the articles of association of Fleet Hire Holdings Limited, which are available to the public and may be obtained from the Company Secretary or The Registrar of Companies House.

Note 11. Retained earnings

	2021 £	2020 £
Retained earnings at the beginning of the financial year	477,905	377,905
Profit after income tax expense for the year	-	800,000
Dividends paid (note 12)	-	(700,000)
Retained earnings at the end of the financial year	<u>477,905</u>	<u>477,905</u>

Note 12. Dividends

Dividends paid during the financial year were as follows:

	2021 £	2020 £
Dividend for the year ended 30 June 2020 of £17.50 per ordinary share and A Class ordinary share	-	<u>700,000</u>

Note 13. Auditor remuneration

Fees paid or payable for services provided by KPMG LLP, the auditor of the company, were borne by its subsidiary company SG Fleet Solutions UK Limited. These fees totalled £5,000 (2020: £5,000).

Note 14. Contingent liabilities and commitments

The company has executed composite guarantees in favour of Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia and Westpac Banking Corporation as security for the financial accommodation provided to the Group to which the company belongs.

Deed of cross guarantee with SG Fleet Group Limited and its subsidiaries

The company is a party to a deed of cross guarantee with the Australian Parent entity SG Fleet Group Limited and its subsidiaries. Under the deed of cross guarantee each company guarantees the debts of the others. The Board of Directors are satisfied that the risk of the deed being called up is remote.

Note 15. Parent entity and ultimate controlling party

The company is controlled by SG Fleet UK Holdings Limited, a company registered in England and Wales, which owns the entire share capital of the company. The ultimate parent entity is Super Group Limited, incorporated in South Africa and listed on the Johannesburg Stock Exchange. SG Fleet Group Limited is the immediate consolidating entity of Fleet Hire Holdings Limited. The financial report of SG Fleet Group Limited is available at <http://investors.sgfleet.com>.

The registered office address of SG Fleet Group Limited is Level 2, Building 3, 20 Bridge Street, Pymble, NSW 2073, Australia.

Note 16. Investment in subsidiary

Details of investment in subsidiary is provided below:

Name	Nature of business	Number and class of shares	Holding %
SG Fleet Solutions UK Limited	Motor vehicle fleet management vehicle leasing and associated activities	153,000 ordinary shares	100%
		850,000 deferred shares	100%

The above entity was incorporated in England and Wales. Its registered office address is:

Station Court, Old Station Road
Hampton In Arden
Solihull
West Midlands, B92 0HA

There has been no change in the number of shares held or holding percentage (%) since the prior year.

Note 17. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.