

Company Registration No. 12427320 (England & Wales)

Atlas Topco Limited  
Annual Report and Financial Statements  
For the year ended 31 August 2021

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

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<b>Directors</b>	L Griffin P A Gallagher P B Suter S Lowrie J K Walden
<b>Secretary</b>	Q Vakani
<b>Company number</b>	12427320
<b>Registered office</b>	The Point, 37 North Wharf Road, London W2 1AF
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

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## 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 2021.

### **Principal activities**

During the year under review, the Group, which traded primarily as Addison Lee, 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;
- 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 MPV vehicles. Lesser known perhaps, Addison Lee is the market leading same-day courier business in the capital with nearly 400 vans and 100 courier bikes in fleet. Addison Lee's technology continues to lead the market across both PHV and courier markets with many industry awards for innovation as well as the environmental impact of efficient despatch algorithms. In 2020, we introduced automated courier despatch across our passenger fleet which now means we have 3290 vehicles available to keep London and London's goods moving efficiently. We have continued to invest in our despatch technology to improve efficiency and enable 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, all previously owned by Addison Lee Midco II 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. The Group is confident that its business model supported by a renewed focus on valued customers, providing an unrivalled earning opportunity for London's best private hire and courier drivers, technology leadership and a relentless drive for efficiency, including the transition to an all-electric fleet in the core London operations will ensure its long-term success and 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>2021</b>	<b>2020*</b>
	<b>£'000</b>	<b>£'000</b>
Revenue	164,372	52,225
Gross profit	43,383	7,502
Gross profit margin	26.4%	14.4%
Adjusted EBITDA	7,873	(9,406)
Cash Flow Available for Debt Service (CFADs)	(18,687)	(7,044)

\*The comparative covers the period from incorporation on 27 January 2020 to 31 August 2020. It should also be noted that the trading commenced on 23 March 2020.

Despite the unprecedented disruption in the market and wider UK economy, the Group has achieved its broader strategic goals, delivered positive Adjusted EBITDA of £7.9m (2020: -£9.4m) and maintained a strong liquidity position with £29.4m (2020: £48.3m) in cash. The foundations for future success based on management's ground transport and courier experience, customer focus and cost discipline have been laid.

The Group's financial results in the year, however, continued to be impacted by the UK-wide measures taken to control the Covid-19 impact with renewed restrictions announced by the Prime Minister in September 2020 and strengthened before the summer of 2021. Trading was particularly impacted by the ongoing closure of many London corporate and SME offices, the restricted movements of workers across the capital, the ongoing restrictions on hospitality and leisure and the severe reduction in passenger volumes across all London airports, both business and leisure.

The crisis has demonstrated the resilience of our business model, our markets, and indeed our people, with customers welcoming the new management team back to the business with many renewed commitments to our ongoing partnership to move their staff safely around London. Through this period of unprecedented challenge the Group has successfully restructured to focus on its core strengths in prioritising relationships and exceptional levels of service in its Core London market. Throughout the entire period of lockdown, the Group maintained its full service to the customers and communities that depend on Addison Lee for the safe transport of workers, families and goods across the capital.

On July 12, 2021, Addison Lee acquired the assets of ComCab London, the largest Black Taxi fleet in the capital which complements Addison Lee's PHV mobility and courier offering to corporates, SMEs and consumers across the capital. The acquired operations were largely profit neutral for FY21 with considerable opportunity to realise synergies, both cost and revenue, going forward and we have exciting plans to further develop the black taxi offering to consumers and corporates alike.

Addison Lee is committed to providing the best career opportunity for its self-employed drivers and have heavily invested in drivers to ensure that they continued to earn a living wage over the course of the pandemic. Changes to our driver schemes have provided additional support over the year, above and beyond our industry-leading mileage rates. In aggregate, these driver subsidies have exceeded £6m, more than £60 per week per active driver and included additional bonuses and credits on vehicle rentals to reduce their fixed costs.

In June 2021, we made significant changes to our driver arrangements to further improve earnings opportunities for drivers while removing uncertainty by ensuring drivers achieve a consistent level of earnings for every job, regardless of account status. With these changes, Addison Lee has introduced the "London Living Wage" guarantee for its drivers, to ensure that our drivers have the best earnings opportunity in the industry. Under the new arrangements, drivers now benefit from explicit holiday pay which can be drawn by the driver every 4 weeks or 12 weeks. We have worked with our Pension provider, Hargreaves Lansdown, to develop and offer an industry-leading contractual pension arrangement for our drivers to which Addison Lee contributes for those drivers who also choose to make contributions. Finally, we began working with Collective Benefits to introduce a range of industry-leading lifestyle and protection products for all our drivers in the early Summer. Addison Lee formally launched AL Rewards in November. In November 2021, the first 100 Addison Lee drivers took delivery of their new Volkswagen ID.4s, our new all-electric drive-train vehicle which will deliver additional safety, comfort and economy to drivers with a huge benefit to the London environment.

### **Continuing Response to Covid-19**

Given the renewal in trading restrictions that impacted the business throughout much of FY21, the business has continued to exercise restraint to control the cost base and preserve liquidity.

In June 2021, we began discussions with our Lenders and Shareholders to restructure our capital base as follows:

- To transition away from the £8.5m invoice receivables finance facility which was provided as a bridge by a subset of our Senior Lender Shareholders on 23 March 2020 to a market-based £12.5m facility with improved advance rates and terms reflecting the high quality of the Addison Lee customer base
- To extend the tenor on the Senior Facility from March 2023 to March 2024 and a revised interest payment schedule which will increase forecast liquidity by c. £5.5m over the next 12 months
- Adjustments of covenants to reflect the above changes with substantial headroom over the next 24 months to ensure resilience against potential for continuing Covid-19 restrictions to impact trading

These changes were completed on 9 December 2021.

### **Outlook**

The business has traded profitably at an Adjusted EBITDA level for the first three months of the financial year, delivering an unaudited first quarter profit of £5.0m, ahead of management's plan for the period. Performance has been constrained by capacity due to shortages of qualified PCO licensed drivers who meet Addison Lee's high standards. We have substantially ramped up our recruitment activities, but the environment is challenging based on a number of factors, including:

- Travel restrictions which make it more difficult for foreign drivers to return to the UK
- Brexit
- Competition with other sectors of the economy, including construction, courier, etc which have led to many licensed drivers seeking alternative work and giving up their PCO licenses over the past 20 months
- High levels of earnings amongst PHV drivers along with opening up of travel opportunities has meant many drivers have returned to their native countries for extended breaks
- Delays in the TFL licensing area and increased bureaucracy (e.g., Right to Work, language testing, etc) which has often meant 12 weeks or more to secure a PCO license.

### **Principal Risks and Uncertainties**

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

The Covid-19 pandemic, the associated lockdowns and work from home policies significantly impacted our financial performance in the year ended 31 August 2021. Colleagues, customers, drivers and suppliers have all experienced significant disruption with numerous personal and operational challenges arising. The pandemic and the social and macroeconomic impact associated represents a significant ongoing risk for the Group. In the initial response phase to Covid-19, the priority was to safeguard the health and wellbeing of colleagues, drivers and customers, and to mitigate the softness in trading volume. Management's incoming restructuring plans were expedited and extended to protect liquidity in light of the Covid-19 environment. With the restructuring activities now largely complete, we have invested considerably to position the business for growth and are working hard to build capacity to respond to the changing nature of demand for our mobility services in the capital. We have the liquidity and flexible cost base to remain profitable even in the midst of renewed or continuing restrictions on mobility and including flexibility in our fixed costs including the fleet to react to changes to demand outlook.

#### **Competitive environment**

The ground transportation and courier markets are highly competitive. There is a risk that a changing industry and advances in technology means that competitors with different business models may arise. 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.

#### **Legislative risks**

All but a small number of specialist lorry drivers engaged by the Group in the UK are now self-employed. Actions have been brought against the Group by a small number of individuals claiming worker status, with potential impacts including on minimum wage, holiday pay and entitlement to participate in a stakeholder pension. Addison Lee is contesting these claims and in the currently uncertain legal and political environment around this matter, continues to monitor the progress of all these cases, studies by other parties, such as the Taylor Report issued in July 2017, and initiatives taken by the Government. On 19 February 2021 the Supreme Court ruled that a small number of Uber's ride hailing drivers should be classified as "workers" and we have reviewed this judgement to ensure we remain in compliance with the law. In May 2021, the Court of Appeal denied Addison Lee's right to appeal a judgement by the Employment Tribunal which ruled that 3 Addison Lee PHV drivers were "workers" prior to 2017. We have, over the years, evolved the terms of engagement we offer to drivers in order to provide an unrivalled earning opportunity for self-employed drivers, chauffeurs and couriers while preserving for them the flexibility which allows us to attract and retain the best PHV and delivery drivers in the business. As mentioned above, we have further enhanced our drivers arrangements to make such arguments regarding, worker status, a classification which offers no material benefit to drivers who want to retain flexibility in their arrangements with us, redundant. They are now offered the "London Living Wage" guarantee, explicit holiday pay and access to an industry-leading contractual pension, along with additional flexibility in how they choose to engage with Addison Lee. We have prudently provided for historic exposure to such claims, but will continue to vigorously defend our position based on the law.

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

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

## Atlas Topco Limited Strategic Report

### Interest rate risk

The Group has 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

Managing our business in a sustainable manner remains a key element of our culture and strategy and to that end, Addison Lee has fully offset its carbon output since 2019 through our Greener Future Programme. In fact in the years ended August 2020 and August 2021 we have offset substantially more CO<sub>2</sub> than we have emitted. Prior to this, Addison Lee's automated dispatch technology has won many awards for its impact on reducing the carbon footprint of the fleet through the efficient allocation of vehicles to minimise mileage. Over the last 5 years we have continued to upgrade the fleet to ensure ULEZ compliance and to minimise the NO<sub>x</sub> emissions in pursuit of cleaner air in London. From April 2019, Addison Lee has invested in 1,200 Volkswagen Sharans, an investment of £41 million, to supplement our Euro 6 Ford Galaxy fleet with the aim to further reduce the fleet's NO<sub>x</sub> emissions. We are committed to fully migrating our core London fleet to wholly electric drive-trains by the end of 2023, subject to the availability of vehicles and are taking delivery of 450 Volkswagen ID.4s, the first of which entered into service in November. By the end of FY22, we are planning to have up to 1500 electric vehicles in the fleet and this transition will continue in FY23 and beyond.

As part of our greener future programme, we are offsetting our carbon emissions by partnering with Climate and development experts, Climatecare. This means that whenever you travel with us, your journey will be carbon neutral and will contribute to the improving health and well-being of global communities.

### Streamlined Energy and Carbon Reporting disclosure

	Year ended 31 August 2021	Period from 27 Jan to 31 August 2020
Emissions resulting from the purchase of electricity, heat, steam or cooling by the Group for its own use (location based)/ tCO <sub>2</sub> e	431.5	111.7
tCO <sub>2</sub> e per million £ turnover	2.6	2.1
tCO <sub>2</sub> e per FTE	0.8	0.1
Energy consumption used to calculate above emissions /kWh	2,032,221	479,145
Estimated emissions from the mileage covered by our fleet (tCO <sub>2</sub> e)	8,840	2,795
Carbon Offset Programme benefit (tCO <sub>2</sub> e)	(15,000)	(11,000)
Net Carbon Emissions post Carbon Offset Programme benefit (tCO <sub>2</sub> e)	(6,160)	(8,205)

### 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:-

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- 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 Covid-19 impact 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 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 a leading contractual pension scheme, which has been taken up by many of our drivers. Our drivers are earning, on average, 27% 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. Many of our drivers are saving more than £75 per week 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 2021 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**

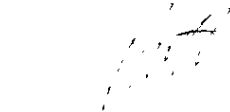
The Group has sustainability and environmental care firmly embedded in its very fabric and this is core to our Group strategy. The Group strives to be the most sustainable premium provider of scale ground transport services in London. Sustainability runs through all aspects of our business, from energy-saving 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 3,200 vehicle fleet.

We take our responsibility as a key mobility provider in London very seriously and give back in key areas where we can. In 2020, we supported the NHS with over £100,000 in free and subsidised journeys for key workers to get them to work safely in the Covid lockdown. We provided £20,000 to Centrepoin, the charity for homeless young people in London, to provide additional rooms at Christmas in this most unsettling of times. And finally, we provided subsidised journeys to vulnerable people to get to and from vaccination centres in London to support the government's vaccine roll-out. We are committed to London as its success is our success.

### **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: 3 February 2022

## **Atlas Topco Limited**

### **Directors Report**

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The Directors present their annual report and financial statements for the year to 31 August 2021.

#### **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 13 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 the Covid-19 pandemic 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 3 to 4 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.

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 2022 to 31 August 2025. In all scenarios, the effect on the Group's KPIs and borrowing covenants was considered, along with any mitigating factors. The Board also considered the renewal of the Term Loan A Facility, which is due to expire in March 2024, and have assumed for the purposes of assessing the viability of the Group that this will be renewed with the same facility and covenant requirements. 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 2025.

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**

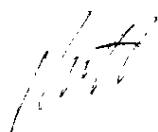
So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company and Group is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors 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: 3 February 2022

## **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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 international accounting standards in conformity with the requirements of the Companies Act 2006; 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 2021 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- 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:

- 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 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.

We 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.

*Richard Coates*

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

3 February 2022

**Atlas Topco Limited**  
**Consolidated Income Statement**  
**For the year ended 31 August 2021**

	Notes	Year ended 31 August 2021 £'000	Period from 27 January to 31 August 2020 £'000
<b>Revenue</b>	5	<b>164,372</b>	<b>52,225</b>
Cost of sales		<u>(120,989)</u>	<u>(44,723)</u>
<b>Gross profit</b>		<b>43,383</b>	<b>7,502</b>
Distribution costs		(10,303)	(3,707)
Administrative expenses		(41,133)	(22,157)
Exceptional items	7	<u>(874)</u>	<u>(14,661)</u>
<b>Operating loss</b>		<b>(8,927)</b>	<b>(33,023)</b>
Share of (loss)/profit of associate	16	(5)	214
Finance costs	11	<u>(14,246)</u>	<u>(7,055)</u>
<b>Loss before taxation</b>		<b>(23,178)</b>	<b>(39,864)</b>
Tax charge	12	<u>(11)</u>	<u>(4)</u>
<b>Loss for the year/period</b>		<b>(23,189)</b>	<b>(39,868)</b>

All operations for the financial year are continuing. Loss for the year/period 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 loss</b>	<b>(8,927)</b>	<b>(33,023)</b>
<i>Add back:</i>		
Exceptional items (note 7)	874	14,661
Depreciation of property, plant and equipment (note 13)	15,304	8,199
Amortisation of intangible assets (note 14)	12,330	6,537
Loss on disposal of property, plant and equipment	333	924
Loss on liquidation of subsidiary	-	157
<b>EBITDA</b>	<b>19,914</b>	<b>(2,545)</b>
<i>Less:</i>		
Vehicle lease costs	(12,041)	(6,861)
<b>Adjusted EBITDA</b>	<b>7,873</b>	<b>(9,406)</b>

For further details see note 3 alternative performance measures.



**Atlas Topco Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 August 2021**

	Notes	2021 £'000	2020 £'000
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	26,667	39,160
Intangible assets	14	104,285	105,391
Investment in associate	16	742	897
		<u>131,694</u>	<u>145,448</u>
<b>Current assets</b>			
Inventories	17	161	191
Trade and other receivables	18 (c)	19,151	19,390
Financial assets	18 (a)	11,449	11,840
Income tax receivable		-	390
Cash and cash equivalents	18 (b)	29,387	48,287
		<u>60,148</u>	<u>80,098</u>
<b>Total assets</b>		<b>191,842</b>	<b>225,546</b>
<b>Liabilities:</b>			
<b>Current liabilities</b>			
Trade and other payables	18 (d)	(29,004)	(39,041)
Income tax payable		(11)	-
Interest-bearing loans and borrowings	18 (e)	(9,861)	(11,665)
Right of use liabilities	19	(11,083)	(15,515)
		<u>(49,959)</u>	<u>(66,221)</u>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	18 (e)	(123,492)	(111,510)
Provisions	21	(15,559)	(11,016)
Right of use liabilities	19	(13,704)	(24,667)
Deferred tax liabilities		(185)	-
		<u>(152,940)</u>	<u>(147,193)</u>
<b>Total liabilities</b>		<b>(202,899)</b>	<b>(213,414)</b>
<b>Net (liabilities)/assets</b>		<b>(11,057)</b>	<b>12,132</b>

**Atlas Topco Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 August 2021**

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	<b>Notes</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Equity</b>			
Share capital	22	11	11
Share premium		9,994	9,994
Retained (loss)/profit		<u>(21,062)</u>	<u>2,127</u>
<b>Total shareholders' (deficit)/funds</b>		<u><b>(11,057)</b></u>	<u><b>12,132</b></u>

The financial statements were approved by the board of Directors on 3 February 2022 and were signed on its behalf by:



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

**Atlas Topco Limited**  
**Consolidated Statement of Changes in Equity**  
**As at 31 August 2021**

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	Notes	Issued share capital	Share premium	Retained (losses) /profit	Total
		£'000	£'000	£'000	£'000
<b>At 27 January 2020</b>		-	-	-	-
Loss for the period		-	-	(39,868)	(39,868)
Gain on modification of terms of debt instrument	18 (e)	-	-	41,995	41,995
Issue of share capital		11	9,994	-	10,005
<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>

**Atlas Topco Limited**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 August 2021**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Loss for the year/period</b>	<b>(23,189)</b>	<b>(39,868)</b>
<i>Adjustment for:</i>		
Tax charge	11	4
Depreciation of property, plant and equipment	15,304	8,199
Amortisation of intangible assets	12,330	6,537
Share of loss/(profit) of associate	5	(214)
Net finance cost	14,246	7,055
Loss on liquidation of subsidiary	-	157
Loss on disposal of property, plant and equipment	333	603
Decrease in inventories	30	31
(Increase)/decrease in trade and other receivables	(517)	6,613
(Decrease)/increase in trade and other payables	(11,704)	10,718
(Decrease)/increase in provisions	(506)	1,363
<b>Cash generated from operations</b>	<b>6,343</b>	<b>1,198</b>
Net interest paid	(1,283)	(318)
<b>Net cash flows from operating activities</b>	<b>5,060</b>	<b>880</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,071)	(964)
Purchase of intangible assets	(1,705)	-
Proceeds from disposal of property, plant and equipment	625	-
Net cash paid to acquire business	(204)	-
Cash acquired on business combination	27	8,432
Dividends received from associate	150	-
Proceeds from/(acquisition of) financial assets	391	(1,969)
<b>Net cash flows from investing activities</b>	<b>(2,814)</b>	<b>5,499</b>
<b>Financing activities</b>		
Proceeds from borrowings - external	-	54,500
Proceeds from issue of priority shares	-	5,000
Proceeds from issue of ordinary shares	-	10,005
Repayment of borrowings - external	-	(24,500)
Payment of lease liabilities	(21,146)	(3,097)
<b>Net cash flows from financing activities</b>	<b>(21,146)</b>	<b>41,908</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(18,900)</b>	<b>48,287</b>
Cash and cash equivalents at beginning of year/period	48,287	-
<b>Cash and cash equivalents at end of year/period</b>	<b>29,387</b>	<b>48,287</b>

18 (b)

**Atlas Topco Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2021**

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**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 2021 were authorised for issue by the Board of Directors on 3 February 2022. 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 International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006.

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 £29.4m at 31 August 2021), 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 expense are included in finance income and expense 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 be 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 2020, 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
Amendments to References to the Conceptual Framework in IFRS Standards	
Amendments to IFRS 3	Definition of a business
Amendments to IAS 1 and IAS 8	Definition of material

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 2021	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 Reform – Phase 2 and IFRS 16	Interest Rate Benchmark
1 April 2021	Amendment to IFRS 16	COVID-19-Related Rent Concessions
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
	IFRS 17	Insurance Contracts

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 13.

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.

- The Group is required to measure all assets and liabilities acquired as part of a business combination at fair value. The determination of those fair value of those assets requires judgement. The valuation of current and financial assets and liabilities is not a key source of estimation uncertainty. However, the valuation of non-current assets and liabilities is dependent on, and sensitive to, long-term forecasts of related cash flows and discount rates applied. These are in turn dependent on long-term forecasts of the performance of the business. As such the valuation of these assets and liabilities is considered a key source of judgement.



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- 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.
- 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 2021 due to uncertainty over its recoverability.

**5. Revenue**

	For the year ended 31 August 2021 £'000	For the period 27 January to 31 August 2020 £'000
An analysis of the Group's revenue is as follows:		
Private car services, delivery and courier service:		
Account	96,637	30,291
Non-Account	43,213	12,781
Insurance and reimbursement policies	7,394	2,791
Rental of motor vehicles	17,128	6,362
	<b>164,372</b>	<b>52,225</b>
	For the year ended 31 August 2021 £'000	For the period 27 January to 31 August 2020 £'000
Revenue analysed by geographical market		
United Kingdom	164,372	52,215
Hong Kong	-	10
	<b>164,372</b>	<b>52,225</b>

**6. Loss for the year/period**

	For the year ended 31 August 2021 £'000	For the period 27 January to 31 August 2020 £'000
Loss for the year/period has been arrived at after charging:		
Auditors remuneration (note 9)	131	150
Amortisation charge (note 14)	12,330	6,537
Depreciation charge (note 13)	15,304	8,199
Exceptional items (note 7)	874	14,661
Loss on liquidation of a subsidiary	-	157
Loss on disposal of fixed assets (motor vehicles)	333	924

**7. Exceptional items**

	For the year ended 31 August 2021 £'000	For the period 27 January to 31 August 2020 £'000
Acquisition costs (1)	214	9,171
Refinancing costs (2)	-	351
Restructuring (3)	297	5,139
Deferred prior year emoluments (4)	363	-
	<u>874</u>	<u>14,661</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 current year relates to professional costs incurred in the acquisition of ComCab. The prior year relates to professional costs incurred in the acquisition of Addison Lee Financing and its subsidiaries (see note 27).
- (2) This includes costs of technical and legal advice relating to debt refinancing in August 2020.
- (3) This relates principally to the restructuring of the business resulting from the impact of Covid-19.
- (4) Cost recognised in relation to deferred and contingent prior year employment costs.

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**8. Alternative performance measures**

	For the year ended 31 August 2021 £000	For the period 27 January to 31 August 2020 £000
<b>EBITDA</b>	<b>19,914</b>	<b>(2,545)</b>
Working capital movement	(12,697)	18,725
Exceptional items (note 7)	(874)	(14,661)
Purchase of property, plant and equipment and intangible assets	(3,884)	(964)
Vehicle lease costs	(18,824)	(6,861)
Other lease costs	(2,322)	(738)
<b>CFADs</b>	<b>(18,687)</b>	<b>(7,044)</b>

**9. Auditors remuneration**

	For the year ended 31 August 2021 £000	For the period 27 January to 31 August 2020 £000
Fees payable to the Group's auditor for:		
Audit of the Group financial statements	131	150
Non-audit fees	83	-
	<u>214</u>	<u>150</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

	For the year ended 31 August 2021 Number	For the period 27 January to 31 August 2020 Number
Administration	226	285
Distribution	342	770
	<u>568</u>	<u>1,055</u>

### (b) Employment costs

	For the year ended 31 August 2021 £'000	For the period 27 January to 31 August 2020 £'000
Wages and salaries	18,127	10,718
Social security costs	1,925	1,209
Pension costs - defined contribution schemes	626	171
	<u>20,678</u>	<u>12,098</u>

Wages and salaries are shown net of grants relating to the Government's furlough scheme in the year ended 31 August 2021 of £954,000 (2020: £6,533,000).

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**11. Finance costs**

	For the year ended 31 August 2021 £'000	For the period 27 January to 31 August 2020 £'000
<b>Finance costs</b>		
Interest on bank borrowings	(7,424)	(5,566)
Interest payable on priority shares	(506)	(313)
Finance charges payable on hire purchase and finance lease liabilities	(240)	(82)
Finance charges payable on operating lease liabilities	(1,512)	(969)
Unwinding of loan fair value adjustment	(4,563)	-
Other finance costs	(1)	(125)
	<b>(14,246)</b>	<b>(7,055)</b>

**12. Tax charge**

	For the year ended 31 August 2021 £'000	For the period 27 January to 31 August 2020 £'000
<b>Recognised in the income statement</b>		
<i>Current income tax:</i>		
UK corporation tax for the current year/period	(11)	(4)
	<b>(11)</b>	<b>(4)</b>
Tax charge reported in the income statement	<b>(11)</b>	<b>(4)</b>

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

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

	2021 £'000	2020 £'000
Accounting loss before tax	(23,189)	(39,864)
Income tax credit at rates prevailing in the UK of 19.00%	4,406	7,574
Expenses not deductible	(1,792)	(1,937)
Income not taxable	13	-
Effects of overseas tax rate changes	(11)	(4)
Deferred tax not recognised	(2,627)	(5,637)
Tax charge reported in the income statement	<b>(11)</b>	<b>(4)</b>

Apart from recognition of deferred tax liability on acquisition of £185,000 (see note 27), no deferred tax asset is recognised on assessed tax losses, capital allowances and loan relationship deficits of £23.1m (2020: £17.4m).

**13. Property, Plant and equipment**

	Lease- hold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
<b><u>Cost</u></b>				
Acquired on business combination	15,464	2,006	29,953	47,423
Additions	-	46	817	863
Disposals	(4)	(660)	(5,627)	(6,291)
Disposal of subsidiary	-	(37)	(75)	(112)
<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>
<b><u>Depreciation</u></b>				
Depreciation charge for the period	792	695	6,712	8,199
In respect of disposals	(2)	(660)	(4,784)	(5,446)
Disposal of subsidiary	-	-	(30)	(30)
<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>
<b><u>Net book value</u></b>				
<b>At 31 August 2021</b>	<b>12,928</b>	<b>1,432</b>	<b>12,307</b>	<b>26,667</b>
<b>At 31 August 2020</b>	<b>14,670</b>	<b>1,320</b>	<b>23,170</b>	<b>39,160</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:

	Lease- hold land and buildings	Motor vehicles	Total
	£'000	£'000	£'000
Acquired on business combination	12,373	29,779	42,152
Additions	-	817	817
Depreciation charge for the period	(661)	(6,682)	(7,343)
Lease completion/net disposals	-	(843)	(843)
<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>

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>Acquired on business combination</b>	57,019	31,973	21,901	129	111,022
Additions	-	-	914	-	914
Disposals	-	-	(936)	-	(936)
<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>
<b>Amortisation</b>					
Amortisation charge for the period	-	1,332	5,168	37	6,537
Disposals	-	-	(928)	-	(928)
<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>
<b>Net book value</b>					
At 31 August 2021	65,568	28,479	10,199	39	104,285
At 31 August 2020	57,019	30,641	17,639	92	105,391

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 2021 (2020: 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 (2020: £57,019,000).



## 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% (2020: 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% (2020: 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	
			2021	2020
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	Administration services	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 (1)	08933821	Provider of car rentals	100	100
Blueback Limited (1)	06377529	Dormant	100	100
Professional IT (Logistics) Limited (1)	03806233	Dormant	100	100
Seela Limited (1)	08167525	Dormant	100	100
W1 Cars Limited (1)	08048025	Dormant	100	100
Aptus Worldwide Limited (1)	06325936	Dormant	100	100
Bodycove Limited (1)	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	
			2021	2020
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 2021 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 2021.
- (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	
				2021	2020
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.

	2021 £'000	2020 £'000
<b>Investment in associated undertakings</b>		
At beginning of year/period	897	683
Share of (loss)/profit	(5)	214
Dividends received	(150)	-
At end of year/period	<u>742</u>	<u>897</u>

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

**17. Inventories**

	2021 £'000	2020 £'000
Raw materials and consumables	<u>161</u>	<u>191</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>2021</b>					
Certificates of deposits	(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>
<b>2020</b>					
Certificates of deposits	(a)	Level 2	11,840	-	11,840
Cash and cash equivalents	(b)		-	48,287	48,287
Trade and other receivables	(c)		-	19,390	19,390
			<u>11,840</u>	<u>67,677</u>	<u>79,517</u>
Total current			<u>11,840</u>	<u>67,677</u>	<u>79,517</u>

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	Notes	Liabilities at fair value through the P&L	Financial liabilities at amortised cost	Total
		£'000	£'000	£'000
<b>Financial liabilities</b>				
<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
<b>2020</b>				
Trade and other payables	(d)	-	39,041	39,041
Interest-bearing loans and borrowings	(e)	-	123,175	123,175
Right of use liabilities	19	-	40,182	40,182
		-	202,398	202,398
Total current		-	66,221	66,221
Total non-current		-	136,177	136,177

**a) Certificates of deposit**

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.

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	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Certificates of deposit	11,449	11,840

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>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Aviva Insurance Limited	16	147
QBE Insurance (Europe) Limited	9,592	9,624
	<u>9,608</u>	<u>9,771</u>

**b) Cash and cash equivalents**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Cash at bank	26,057	46,401
Cash - insurance entities	3,330	1,886
Cash and cash equivalents	<u>29,387</u>	<u>48,287</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>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Credit Suisse AG	300	797
	<u>300</u>	<u>797</u>

**c) Trade and other receivables**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Trade receivables	14,295	13,368
Allowance for expected credit losses	(1,781)	(2,438)
Net trade receivables	12,514	10,930
Other receivables, prepayments and accrued income	6,637	8,460
Total trade and other receivables	<u>19,151</u>	<u>19,390</u>

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

A loss of £536,000 has been recognised in the income statement in respect of the expected credit losses for the year ended 31 August 2021 (period from 23 January 2020 to 31 August 2020: loss of £157,000).

**Total**

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**Allowance for expected credit losses**

	<b>£'000</b>
<b>As at 31 August 2020</b>	2,438
Bad debts written-off during the year	(1,193)
Additional allowance during the year	536
<b>As at 31 August 2021</b>	<u>1,781</u>

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

	<b>Expected credit loss rate 2021 %</b>	<b>Expected credit loss rate 2020 %</b>	<b>Carrying amount 2021 £'000</b>	<b>Carrying amount 2020 £'000</b>	<b>Allowance for expected credit losses 2021 £'000</b>	<b>Allowance for expected credit losses 2020 £'000</b>
Not overdue	2.1	0.6	8,801	6,162	(187)	(37)
0 to 3 months overdue	18.6	2.2	4,790	3,595	(893)	(79)
3 to 6 months overdue	98.9	32.8	264	1,202	(261)	(395)
Over 6 months overdue	100.0	80.0	440	2,409	(440)	(1,927)
<b>Total</b>			<b>14,295</b>	<b>13,368</b>	<b>(1,781)</b>	<b>(2,438)</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.

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**d) Trade and other payables**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	3,492	5,903
Payroll tax and other statutory liabilities	6,092	10,689
Other payables, accruals and deferred income	19,420	22,449
	<u>29,004</u>	<u>39,041</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) Borrowings**

Borrowings are repayable as follows:

	<b>Bank loans</b>	<b>Priority shares</b>	<b>Hire purchase/ finance lease obligations</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<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	66,891	5,819	-	72,710
Total borrowings	<u>125,622</u>	<u>5,819</u>	<u>1,912</u>	<u>133,353</u>
Current	8,517	-	1,344	9,861
Non-current	<u>117,105</u>	<u>5,819</u>	<u>568</u>	<u>123,492</u>
<b>2020</b>				
Current	8,676	-	2,989	11,665
Between one and five years	46,005	-	2,187	48,192
After more than five years	58,005	5,313	-	63,318
Total borrowings	<u>112,686</u>	<u>5,313</u>	<u>5,176</u>	<u>123,175</u>
Current	8,676	-	2,989	11,665
Non-current	<u>104,010</u>	<u>5,313</u>	<u>2,187</u>	<u>111,510</u>

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*Bank loans*

Bank borrowings are secured over the assets of the Group. The Group has £46.0m borrowings that are payable in 22 March 2023 and £100.0m bank borrowings that are payable in 22 March 2027. The interest rate ranges between 1.5% and 10%.

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 £4.6m interest was recognised in finance costs.

Bank loans also included £8.5m relating to a factoring loan. The loan was secured over trade receivables of the Group. On 9 December 2021 this loan was transitioned to a new £12.5m facility. See note 26.

*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, as they rank *pari passu* with the £100m debt referred to above, the priority shares are disclosed as due after more than 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**

	Within 1 year	Between 1 and 5 years	After 5 years	Total
	£'000	£'000	£'000	£'000
At 31 August 2021	11,083	9,678	4,026	24,787
At 31 August 2020	15,515	18,742	5,925	40,182



## **20. Financial risk management**

For the year ended 31 August 2021, 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.

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**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 2021</b>				
Trade and other payables	29,004	-	-	29,004
Interest-bearing loans and borrowings	9,861	50,783	72,709	133,353
	<u>38,865</u>	<u>50,783</u>	<u>72,709</u>	<u>162,357</u>
	Within 1 year	Between 1 and 5 years	After 5 years	Total
	£'000	£'000	£'000	£'000
<b>At 31 August 2020</b>				
Trade and other payables	39,041	-	-	39,041
Interest-bearing loans and borrowings	11,665	53,505	58,005	123,175
	<u>50,706</u>	<u>53,505</u>	<u>58,005</u>	<u>162,216</u>

**21. Provisions**

	Total
	£'000
<b>As at 31 August 2020</b>	11,016
Additions	8,935
Utilisation	(4,392)
<b>As at 31 August 2021</b>	<u>15,559</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	2021 £'000	2020 £'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 (2020: 16,177,469 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>

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The company was incorporated on 27 January 2020 with one £1 issued ordinary share. This share was cancelled on 23 March 2020.

*Ordinary shares issued*

Class of ordinary shares	Total no. of shares as at 31 August 2020	Share capital £ as at 31 August 2020	No. of shares issued on 23 September 2020	Shares issued £	Total no. of shares as at 31 August 2021	Share capital £ as at 31 August 2021
'A'	9,350,000,000	9,350			9,350,000,000	9,350
'B1'	1,573,000,000	1,573			1,573,000,000	1,573
'B2'	50,050,000	50			50,050,000	50
'B3'	16,177,469	16	6,919,858	7	23,097,327	23
'C1'	1,456,876	1			1,456,876	1
'C2'	8,000,000	8			8,000,000	8
	<b>10,998,684,345</b>	<b>10,998</b>	<b>6,919,858</b>	<b>7</b>	<b>11,005,604,203</b>	<b>11,005</b>

*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

As at 31 August 2021 there are no amounts contracted for but not provided in the financial statements (2020: nil).

### 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:

	2021 £'000	2020 £'000
<b>Haulmont Technology Limited</b>		
Sales to the Group	(1,618)	(553)
Balance payable by the Group	(156)	(126)
Dividend received	150	-

#### Transactions with Directors

	2021 £'000	2020 £'000
<b>Priority shares - L Griffin</b>		
Interest bearing payable balance	(5,000)	(5,000)
Interest accrued	(819)	(313)

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

The key management of the Group are the Directors.

	For the year ended 31 August 2021 £'000	For the period 27 January to 31 August 2020 £'000
Directors emoluments	1,787	498
Social security costs	240	70
Contributions to defined contribution schemes	24	11
	<u>2,051</u>	<u>579</u>

Above directors' emoluments are in relation to the cost recognised for services provided during the year ended 31 August 2021. Excluded from the figures shown, directors were also compensated for deferred and contingent emoluments relating to performance in the prior year of £259,000 (£107,000 for the highest paid director shown below) including social security costs, recognised as exceptional cost (note 7).

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

	<b>For the year ended 31 August 2021 £'000</b>	<b>For the period 27 January to 31 August 2020 £'000</b>
Directors emoluments	696	209
Social security costs	94	29
	<u>790</u>	<u>238</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. The largest and smallest group preparing consolidated financial statements that incorporates the financial statements of the Company is headed by Atlas Topco Limited, a company incorporated in England and Wales. The consolidated financial statements of the Group are available publicly and may be obtained from the Company Secretary, at The Point, 37 North Wharf Road, London W2 1AF.

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

Given the renewal in trading restrictions that impacted the business throughout much of FY21, the business has continued to exercise restraint to control the cost base and preserve liquidity.

In June 2021, we began discussions with our Lenders and Shareholders to restructure our capital base as follows:

- To transition away from the £8.5m invoice receivables finance facility which was provided as a bridge by a subset of our Senior Lender Shareholders on 23 March 2020 to a market-based £12.5m facility with improved advance rates and terms reflecting the high quality of the Addison Lee customer base
- To extend the tenor on the Senior Facility from March 2023 to March 2024 and a revised interest payment schedule which will increase forecast liquidity by c. £5.5m over the next 12 months
- Adjustments of covenants to reflect the above changes with substantial headroom over the next 24 months to ensure resilience against potential for continuing Covid-19 restrictions to impact trading

These changes were completed on 9 December 2021.

## 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. The deferred consideration of £1,000,000 is payable on 12 July 2022 and £1,000,000 is payable on 12 July 2023.

The table sets out the provisional 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 preliminary 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.

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On 23 March 2020 the Group completed a business combination and acquired the net assets and liabilities of Addison Lee Financing Limited and its subsidiaries for cash consideration of £1.

The table sets out the final fair values to the Group in respect of the business combination:

Recognised amounts of identifiable assets acquired and liabilities assumed:

	<b>Fair value £'000</b>
Property, plant and equipment	47,423
Intangible assets	22,030
Other non-current assets	683
Current assets excluding cash	35,831
Current liabilities	(35,501)
Net borrowings	(116,000)
Other non-current liabilities	(12,814)
Hire purchase/ finance lease obligations	(5,785)
Right of use liabilities	(41,051)
Net identifiable liabilities acquired	<u>(105,184)</u>
 Cash acquired in Addison Lee Financing Group	 8,432
Intangible assets – Brands	17,527
Intangible assets – Intellectual Property	14,446
 Goodwill arising on acquisition	 <u>64,779</u>

Included in the goodwill above of £64,779,000 is £7,760,000 of additional goodwill recognised in the year following completion of the fair value measurement process.

The goodwill represents access to customers and suppliers, brand awareness, synergies within the operating model and economies of scale expected from incorporating the operations of the acquired operations within the Group.

**Atlas Topco Limited**  
**Company Statement of Financial Position**  
**As at 31 August 2021**

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	<b>Notes</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Current assets</b>			
Debtors	4	<u>15,824</u>	<u>15,318</u>
		15,824	15,318
<b>Creditors:</b>			
Amounts falling due within one year	5	<u>(5,819)</u>	<u>(5,313)</u>
<b>Net current liabilities</b>		(5,819)	(5,313)
<b>Net assets</b>		<u><b>10,005</b></u>	<u><b>10,005</b></u>
<b>Capital and reserves</b>			
Called up share capital	6	11	11
Share premium account		9,994	9,994
<b>Total shareholder's funds</b>		<u><b>10,005</b></u>	<u><b>10,005</b></u>

**Parent Company Statement of Profit and Loss for the year ended 31 August 2021.**

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 2021 is £nil (period from 27 January to 31 August 2020: £nil).

The financial statements were approved by the board of Directors on 3 February 2022 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 2021**

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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>
Profit for the period			-	-
Issue of share capital	11	9,994		10,005
<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>

**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 2021 were authorised for issue by the board of Directors on 3 February 2022, 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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 period. 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 (2020: none).

### 4. Debtors

	2021 £'000	2020 £'000
Amounts due from group undertakings	15,824	15,318
	<u>15,824</u>	<u>15,318</u>

### 5. Creditors: amounts falling due after one year

	2021 £'000	2020 £'000
Priority shares	5,819	5,313
	<u>5,819</u>	<u>5,313</u>

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

### 6. Share capital

Allotted, called up and fully paid	2021 £'000	2020 £'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 (2020: 16,177,469 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 issues in the year and 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. The largest and smallest group preparing consolidated financial statements that incorporates the financial statements of the Company is headed by Atlas Topco Limited, a company incorporated in England and Wales.

**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 2021 until they are satisfied in full.