

Company Registration No. 01205530 (England and Wales)

ADDISON LEE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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ADDISON LEE LIMITED

COMPANY INFORMATION

Directors	A K Boland D G Stickland
Secretary	L Gage
Company number	01205530
Registered office	35-37 William Road London NW1 3ER
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

ADDISON LEE LIMITED

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ADDISON LEE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their strategic report for the year ended 31 August 2017.

Review of the business

The company is principally engaged in ground transportation activities including private mini-cab hire, delivery and courier services.

The key financial and performance indicators during the year are as follows:

	2017	2016	Change
	£'000	£'000	%
Turnover	158,744	165,103	-3.9
Gross profit	56,090	60,937	-7.9
Gross profit margin	35%	37%	-2%

The directors are satisfied with the results for the year. After significant change and new competition in the London market, the company has achieved a stable turnover and gross profit performance. The financial position of the Group is robust with strong cash flows from operations generated during the year.

Events occurring after the reporting period

The directors are not aware of any significant events affecting the company which have occurred after the reporting period.

Principal risks and uncertainties

The principal risks facing the company include:

Legislative risks

The majority of the drivers engaged by the company in the United Kingdom are self-employed. Actions have been brought against the company and other businesses using similar operating models that claim worker status for self-employed drivers. The company is appealing against the court decisions made against it and 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.

ADDISON LEE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties (continued)

Liquidity risk

The group manages its cash and borrowing in order to meet its working capital requirements, maximize interest income and minimize interest expense as effectively as possible. The company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities, and by maintaining the company's assets in marketable investments which can be easily converted into cash if required.

Credit risk

As a standard policy, all customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors and amounts owed by drivers are reviewed on a regular basis and provision is made for doubtful debts as necessary.

On behalf of the board



D G Stickland
Director

Date: 15 February 2018

ADDISON LEE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their report and unaudited financial statements for the year ended 31 August 2017.

Principal activities

The principal activity of the company is ground transportation activities operating private mini-cab hire, delivery and courier services.

Directors

The following directors have held office since 1 September 2016:

A K Boland
D G Stickland
L Griffin (resigned 1 April 2017)

Dividends

The directors do not recommend payment of a dividend (2016: £nil).

Financial instruments

The company's financial instruments including amounts due to, and from, other members of the group headed by Addison Lee Holdings Limited, a company incorporated in England and Wales. Other financial assets and liabilities, such as trade debtors and trade creditors arise directly from the company's operations.

Research and development

The company continues to invest in research and development activities in relation to its booking management and communications systems in order to improve and enhance customer experience and service delivery.

Events occurring after the reporting period

The directors are not aware of any significant events affecting the company which have occurred after the reporting period.

ADDISON LEE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore it has been determined that it is appropriate to prepare the financial statements on a going concern basis.

On behalf of the board



D G Stickland
Director

Date: 15 February 2018

ADDISON LEE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- *make judgements and estimates that are reasonable and prudent;*
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ADDISON LEE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
Turnover	2	158,744	165,103
Cost of sales		(102,654)	(104,166)
Gross profit		56,090	60,937
Distribution costs		(15,298)	(12,160)
Administrative expenses		(27,582)	(29,007)
Exceptional items	3	(16,009)	(5,291)
Operating (loss)/profit	4	(2,799)	14,479
Interest receivable and similar income	7	7,926	5,942
Interest payable and similar charges	8	(3,052)	(1,977)
Fair value losses	9	-	(276)
Profit on ordinary activities before taxation		2,075	18,168
Taxation	10	(978)	(3,857)
Profit for the financial year		1,097	14,311

All activities of the company are continuing.

ADDISON LEE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2017

	2017 £'000	2016 £'000
Profit for the financial year	1,097	14,311
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	1,097	14,311

ADDISON LEE LIMITED

BALANCE SHEET AS AT 31 AUGUST 2017

		2017	2016
	Notes	£'000	£'000
Fixed assets			
Goodwill	11	3,025	6,037
Other intangible assets	12	13,230	11,304
Tangible assets	13	5,031	2,233
Investments	14	100	100
		<u>21,386</u>	<u>19,674</u>
Current assets			
Debtors	15	138,513	110,070
Cash at bank		<u>12,698</u>	<u>15,241</u>
		151,212	125,311
Creditors: Amounts falling due within one year	16	<u>(81,594)</u>	<u>(64,535)</u>
Net current assets		<u>69,618</u>	<u>60,776</u>
Total assets less current liabilities		91,004	80,450
Creditors: Amounts falling due within one year	16	(10,082)	-
Provisions	17	<u>(462)</u>	<u>(1,087)</u>
Net assets		<u>80,460</u>	<u>79,363</u>

ADDISON LEE LIMITED

BALANCE SHEET (continued) AS AT 31 AUGUST 2017

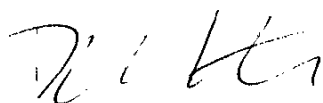
	Notes	2017 £'000	2016 £'000
Capital and reserves			
Called up share capital	19	200	200
Share premium account	20	103	103
Profit and loss account		80,157	79,060
Total shareholder's funds		80,460	79,363

For the year ended 31 August 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Under this section Addison Lee Holdings Limited provides a parent guarantee for the company over its outstanding liabilities as at 31 August 2017 until they are satisfied in full.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

Approved by the Board and authorised for issue on 15 February 2018.



D G Stickland
Director

ADDISON LEE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2017

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance at 1 September 2015	200	103	64,749	65,052
Profit for the financial year	-	-	14,311	14,311
Total comprehensive income for the year	-	-	14,311	14,311
Balance at 31 August 2016	200	103	79,060	79,363
Profit for the financial year	-	-	1,097	1,097
Total comprehensive income for the year	-	-	1,097	1,097
Balance at 31 August 2017	200	103	80,157	80,460

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies

a) Company information

Addison Lee Limited is incorporated in England and Wales. Its registered office is located at 35-37 William Road, London, NW1 3ER.

b) Basis for preparation

The financial statements of Addison Lee Limited were approved for issue by the Board of Directors on 15 February 2018.

The financial statements have been prepared in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The financial statements have been prepared on the historical cost convention and in British Pound Sterling rounded to the nearest thousand pounds (£'000).

Financial Reporting Standard 102 (FRS 102) allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including the categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments, and exposure to and management of financial risks
- the requirement to disclose key management personnel compensation

Equivalent disclosures are included in the consolidated financial statements of Addison Lee Holdings Limited, a company incorporated in England and Wales, in which the company's financial statements for the year ended 31 August 2017 are consolidated.

The company has taken advantage of an exemption from disclosing transactions with wholly-owned subsidiaries undertakings of Addison Lee Holdings Limited.

c) Consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared consolidated financial statements and it is exempt from the requirement to do so under Section 400 of Companies Act 2006.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

d) Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore it has been determined that it is appropriate to prepare the financial statements on a going concern basis.

e) Turnover

Turnover is the total amount receivable by the company for the services provided, excluding value added tax and including trade discounts.

Addison Lee Limited operates two different business arrangements for its "Accounts" and "Non-accounts" business:

Account

Revenue from "Account" business arises from customers who are registered, and hold an account with either the company or a fellow subsidiaries of Addison Lee Holdings Limited. The company establish prices and contracts directly with these customers to provide services including private-hire services and courier deliveries. The responsibility for delivering on the performance obligations ultimately remains with the company.

The company has concluded that it is the principal in all of its revenue from its "Account" business 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 a fellow subsidiaries of Addison Lee Holdings Limited. Under this arrangement the individuals or businesses contract directly with a private-hire or courier driver. The company receives a booking/administration fee from drivers in return for referring the job.

The company has concluded that it is an agent in the contracts to deliver the underlying services for the non-account business. The company recognises the booking/administration fees receivable from the drivers as revenue.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

f) Business combinations

Acquisitions of businesses are accounted for using the purchase method. The cost of the business combination is the fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the company in exchange for control of the acquire, plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets and liabilities in the acquiree is recognised as goodwill.

g) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration paid and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed.

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 company's cash-generating units.

Software and IT development costs

Software and IT development expenditures incurred on an individual project, including internal and external labour, is capitalised as an intangible asset when the company 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.

Amortisation

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Goodwill	Up to 5 years
Patents	Up to 5 years
Software and IT development costs	Up to 3 years

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

g) Intangible assets (continued)

Impairment

Intangible assets are tested for impairment when circumstances indicate that the carrying value may have suffered an impaired loss. Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the assets 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 flow are discounted to their present value using a 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 assets or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the assets or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss for the period in categories consistent with the function of the impaired asset.

h) Tangible fixed assets

Tangible fixed assets 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
Assets under construction	Depreciated upon completion
Fixtures, fittings and equipment	Up to 3 years straight line
Motor vehicles	33% reducing balance

i) Fixed asset investments

Investments in subsidiaries and associates are accounted for at cost less impairment.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

j) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the company becomes a party to the contractual provisions of the instrument.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate that are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss.

Basic financial assets and liabilities

Basic financial assets, which include trade debtors, trade creditors, bank loans, loans due to/from fellow group undertakings and preference shares that are classified as debt are initially measured at transaction price, and subsequently measured at amortised cost using the effective interest rate method.

Where an arrangement constitute a financing transaction, financial assets and financial liabilities are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Non-basic financial assets and liabilities

Non-basic financial instruments are measured at fair value through profit or loss.

Equity instruments

Equity instruments issued by the company are recorded at proceeds received, net of direct issue costs. Equity instruments is any contract that evidences a residual interest in assets of the company after deducting all of its liabilities.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

k) Taxation

Taxation on the profit for the year represents the sum of current tax and deferred tax.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but have not reversed at the balance sheet date, where transactions or events have occurred at the date that will result in an obligation to pay more, or right to pay less or receive more tax.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated on an undiscounted basis using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

l) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting policies (continued)

m) Hire purchase and leasing commitments

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets at cost and are depreciated over their estimated useful lives.

Assets obtained under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised as tangible fixed assets at the lower of fair value of the lease asset and the present value of the minimum lease payments. Assets held under finance leases are depreciated over the shorter of lease term and their estimated useful lives.

A corresponding liability is recognised in the balance sheet for each asset held under a hire purchase contract or a finance lease. Rental payments are apportioned between finance charges and reduction of the lease obligation.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term, except where another more systematic basis is more representative of the pattern in which the economic benefits from the lease asset are consumed.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Turnover

	2017 £'000	2016 £'000
An analysis of the company's turnover is as follows:		
Account customers	140,440	145,830
Non-account customers	15,867	18,519
Other revenue streams	2,437	754
	<u>158,744</u>	<u>165,103</u>

All of the turnover of the company for the year ended 31 August 2017 (2016: 100%) has been derived from its principal activities that are wholly undertaken in England and Wales from continuing activities.

3. Exceptional items

		2017 £'000	2016 £'000
Restructuring costs	(a)	10,174	2,759
Aborted acquisition costs	(b)	-	480
Acquisition integration costs	(c)	1,521	-
Legal and professional fees	(d)	2,034	130
Rebranding costs	(e)	2,280	-
Other one-off items		-	1,922
		<u>16,009</u>	<u>5,291</u>

- (a) Substantial restructuring costs were incurred to transform the business operations, including redundancies, professional fees and one off set-up costs associated with establishing new operations.
- (b) Costs associated with acquisitions which did not proceed.
- (c) Various costs were incurred during the current year to integrate the businesses acquired.
- (d) Legal and professional fees related to legal matters of a one-off nature.
- (e) Costs were incurred during the year to carry out the first major rebranding of the business since the business commenced

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

4. Operating (loss)/profit

	2017	2016
	£'000	£'000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Intra-group management fee	(4,007)	(3,752)
Fees payable to the company's auditor for the audit of the company's financial statements	-	190
Depreciation of tangible fixed assets	1,387	1,076
Profit on disposal of tangible fixed assets	(11)	(16)
Amortisation of intangible assets	8,584	7,474
Operating lease charges	654	1,119

5. Employees

The average monthly number of persons, including directors, employed by the company during the year was:

	2017	2016
Administration	223	202
Distribution	463	472
	<u>686</u>	<u>674</u>

Their aggregate remuneration comprised:

	2017	2016
Wages and salaries	22,932	22,693
Social security costs	2,578	2,305
Pension costs	343	245
	<u>25,853</u>	<u>25,243</u>

In April 2017 the employment contracts for certain support staff were novated to Addison Lee Services Limited, a fellow wholly-owned subsidiary of Addison Lee Holdings Limited, responsible for providing group companies with payroll processing and administration support.

These individuals continue to be engaged in the operations of Addison Lee Limited and their costs are included within the company's results.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

6. Directors' emoluments

	2017 £'000	2016 £'000
Remuneration for qualifying services	517	765

The remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	294	464
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7. Interest receivable and similar income

	2017 £'000	2016 £'000
Interest income		
Interest on bank deposits	104	112
Interest receivable from group undertakings	4,569	2,823
	4,673	2,935
Other income from investments		
Dividends from subsidiary undertakings	3,000	2,500
Dividends from associates	90	60
Other investment gains	323	-
Exchange differences	(160)	447
	7,926	5,942

8. Interest payable and similar charges

	2017 £'000	2016 £'000
Interest payable to group undertakings	2,835	1,974
Other interest	217	3
	3,052	1,977

9. Fair value losses

	2017 £'000	2016 £'000
Amounts written off investments held at fair value	-	276

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

10. Taxation

	2017 £'000	2016 £'000
Current tax		
UK corporation tax on profits for the current period	(207)	2,940
Adjustments in respect of prior periods	176	779
	(31)	3,719
Deferred tax		
Origination and reversal of timing differences	413	138
Adjustments in respect of prior periods	596	-
Total tax charge	978	3,857

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	2,075	18,168
Expected tax charge based on the standard rate of corporation tax in the UK of 19.58% (2016: 20.00%)	406	3,634
Tax losses utilised	(20)	-
Non-deductible expenses	(478)	(448)
Adjustments in respect of prior years	772	779
Group relief claimed for nil consideration	-	(687)
Effect of change in corporation tax rate on deferred taxes	(7)	(6)
Controlled foreign company	203	566
Other tax adjustments	102	19
Tax expense for the year	978	3,857

The Finance Act (No.2) 2015 and the Finance Act 2016 included legislations to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017, and to 17% from 1 April 2020. As these reductions were enacted at the balance sheet date the closing deferred tax balances have been calculated at the rates at which the temporary differences are expected to reverse.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

11. Goodwill

Goodwill	£'000
Cost	
At 1 September 2016	20,317
Additions	-
Disposals	-
At 31 August 2017	<u>20,317</u>
Amortisation and impairment	
At 1 September 2016	14,280
Amortisation charged for the year	3,012
Disposals	-
At 31 August 2017	<u>17,292</u>
Carrying amount	
At 31 August 2017	<u>3,025</u>
At 31 August 2016	<u>6,037</u>

12. Other intangible assets

Other intangible assets	Software and IT development £'000	Patents £'000	Total £'000
Cost			
At 1 September 2016	23,298	1,093	24,391
Additions	7,403	114	7,517
Disposals	(1,945)	-	(1,945)
At 31 August 2017	<u>28,756</u>	<u>1,207</u>	<u>29,963</u>
Amortisation and impairment			
At 1 September 2016	12,719	368	13,087
Amortisation charged for the year	5,359	232	5,591
Disposals	(1,945)	-	(1,945)
At 31 August 2017	<u>16,133</u>	<u>600</u>	<u>16,733</u>
Carrying amount			
At 31 August 2017	<u>12,623</u>	<u>607</u>	<u>13,230</u>
At 31 August 2016	<u>10,579</u>	<u>725</u>	<u>11,304</u>

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

13. Tangible fixed assets

	Leasehold land and buildings £'000	Assets under construction £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2016	311	500	9,107	144	10,062
Additions	1,911	-	2,298	-	4,210
Disposals	-	-	(646)	(107)	(754)
Transfers	500	(500)	(48)	-	(48)
At 31 August 2017	<u>2,722</u>	<u>-</u>	<u>10,711</u>	<u>37</u>	<u>13,470</u>
Depreciation and impairment					
At 1 September 2016	289	-	7,450	90	7,829
Depreciation charged in the year	73	-	1,303	11	1,387
Disposals	-	-	(696)	(81)	(777)
At 31 August 2017	<u>362</u>	<u>-</u>	<u>8,057</u>	<u>20</u>	<u>8,439</u>
Carrying amount					
At 31 August 2017	<u>2,360</u>	<u>-</u>	<u>2,654</u>	<u>17</u>	<u>5,031</u>
At 31 August 2016	<u>22</u>	<u>500</u>	<u>1,657</u>	<u>54</u>	<u>2,233</u>

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

14. Investments

	2017 £'000	2016 £'000
Cost or valuation	100	100

Details of the company's subsidiary undertakings are as follows:

	Company registration number	Nature of business	% equity interest (1)	
Name of undertaking			2017	2016
Registered office at 35-37 William Road, London, NW1 3ER:				
Blueback Limited	06377529	Private mini cab hire	100	100
W1 Cars Limited	08048025	Private mini cab hire	100	100
Professional IT (Logistics) Limited	03806233	Software development	100	100
Registered offices at: Heritage Hall, Le Marchant Street, St Peter Port, Guernsey GY1 4JH.				
The Addison Lee Purpose Trust (2)	Guernsey	Purpose Trust	-	-
Addison Lee Insurance Limited	Guernsey	Insurance captive	100	100
Addison Lee Trustee Limited	Guernsey	Trustee company	100	100

Details of the Company's associated undertaking is as follows:

Name of undertaking	Country of incorporation and place of business	Nature of business	Class of shareholding	% equity interest (1)	
				2017	2016
Haulmont Technology Limited	England & Wales	Software consultancy	Ordinary	30	30

- (1) Except for the interests in The Addison Lee Purpose Trust where the company is deemed to have control, all equity interest are held in ordinary shares.
- (2) The interest in The Addison Lee Purpose Trust is held indirectly and all other interests are held by the company directly.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

15. Debtors

	Note	2017 £'000	2016 £'000
Amounts falling due within one year:			
Trade debtors		16,854	22,156
Amounts due from group undertakings		103,719	75,946
Amounts owed by related parties		3,233	3,141
Other debtors		3,127	6,316
Corporation tax receivable		2,311	-
Prepayments and accrued income		3,584	1,363
Deferred tax asset	18	39	1,148
		<u>132,867</u>	<u>110,070</u>
Amounts falling due after more than one year:			
Amounts due from group undertakings		5,646	-
		<u>138,513</u>	<u>110,070</u>

16. Creditors:

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Trade creditors	7,020	5,530
Amounts due to group undertakings	62,097	48,805
Corporation tax payable	-	787
Other taxation and social security	3,434	3,901
Other creditors	3,250	1,836
Accruals and deferred income	5,793	3,676
	<u>81,594</u>	<u>64,535</u>
Amounts falling due after more than one year:		
Amounts due to group undertakings	10,082	-
	<u>91,676</u>	<u>64,535</u>

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

17. Provisions

	2017 £'000	2016 £'000	
Provisions	462	1,087	
	Dilapidations provision £'000	Onerous lease £'000	Total £'000
At 1 September 2016	665	422	1,087
Profit and loss account	(390)	(235)	(625)
At 31 August 2017	275	187	462

18. Deferred tax

	2017 £'000
Asset as at 1 September 2016	1,148
Charged to profit or loss in the year	(1,145)
Asset at 31 August 2017	39

19. Share capital

	2017 £'000	2016 £'000
Allotted, issued, and fully paid 200,000 ordinary shares of £1 each	200	200

20. Share premium account

	2017 £'000	2016 £'000
At beginning and end of year	103	103

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

21. Capital commitments

Capital expenditure contracted for but not provided in the financial statements comprised the following:

	2017	2016
	£	£
Leasehold additions	-	2,589

22. Operating lease commitments

At the reporting date the company had the following operating lease commitments:

	2017	2016
	£'000	£'000
Within one year	757	671
Between two and five years	3,915	709
Over five years	3,760	372
	8,432	1,752

23. Financial commitments, guarantees and contingent liabilities

Addison Lee Financing Limited, a subsidiary of Addison Lee Holdings Limited, holds a bank borrowing facility with ING Bank N.V. under which it currently owes £231.0 million (2016: £229.0 million). This loan facility is secured by a fixed and floating charge over the assets of the company and the assets of another subsidiary undertakings of Addison Lee Holdings Limited.

ADDISON LEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

24. Related parties

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

During the year, the company's associated undertaking, Haulmont Technology Limited, made sales of £2.527 million (2016: £1.929 million) to the company, and owes the company £0.498 million (2016: £0.209 million) at financial year end.

At the balance sheet date, the company is owed £1.296 million (2016: £1.296 million) from CEP II Alphyn I S.C.A, a company under common control.

At the balance sheet date, the company is owed £1.937 million (2016: £1.845 million) from a loan to the company's director, A Boland. Interest of £0.92 million (2016: £0.60 million) was charged by the company on the loan during the year.

The company is exempt from disclosing related party transactions with other wholly-owned subsidiary undertakings of Addison Lee Holdings Limited.

25. Controlling party

The company's immediate parent company is Addison Lee Group, a company registered in England and Wales.

The directors regard the company's ultimate controlling parent entity to be Carlyle Europe Partners III LLP. The smallest and largest groups preparing consolidated financial statements that incorporate the financial statements of the company are headed by Addison Lee Midco II Limited and Addison Lee Holdings Limited respectively. Both companies are incorporated in England and Wales, and have their respective registered offices at 35-37 William Road, London, NW1 3ER.